Austria ... Sch 18	Indonesia ... Rp 2500	Portugal ... Esc 80
Bahrain ... Din 0.650	Italy ...... L 1300	S. Arabia .. Rls 6.00
Belgium ... BFr 38	Japan Y550	Singapore . S$ 4.10
Canada ... C$2.00	Jordan ... Fils 500	Spain .... Pta 110
Cyprus ... C£0.60	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark .. Dkr 7.75	Lebanon .. £L 6.00	Sweden .. Skr 6.50
Egypt .... E£1.00	Luxembourg . LFr 38	Switzerland SFr 2.20
Finland .. Fmk 6.00	Malaysia .. Rm 4.75	Taiwan ... NT $85
France .. FFr 6.00	Mexico . Pes. 300	Tunisia Din 0.600
Germany . DM 2.20	Morocco .. Dh 6.00	Turkey .... L 210
Greece ..... Dr 70	Netherlands . Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong . HK$ 12	Norway .. Nkr 6.00	U.S.A. $1.50
India .... Rup. 15	Philippines . Pes. 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,602 — Thursday April 18 1985 — D 8523 B

Time ripe for reform in USSR under Gorbachev, Page 25

World news

Peres and Mubarak may hold summit

Israel Prime Minister Shimon Peres and Egyptian President Hosni Mubarak are expected to hold a summit meeting next month.

A top-level team is being established to make intensive preparations to ensure the success of the talks, according to a senior official in Jerusalem.

He said the aim was to reach agreement on the components of a "package deal" to be concluded at the summit, including Israel's agreement to submit to arbitration the dispute over the Taba area in the Sinai in exchange for the return of the Egyptian ambassador to Tel Aviv. Page 3

Greek poll in June

Greek Premier Andreas Papandreou said he would seek a general election in the first half of June, four months before his Socialist Government's term expires.

Bonn veto threat

West German Defence Minister Manfred Wörner told parliamentarians he would veto the controversial U.S. fighter aircraft identification system planned for Nato, unless it was substantially modified.

Angola withdrawal

South Africa formally withdrew its last soldiers from Angola, while President P. W. Botha prepared to tell parliament today of his Government's response to proposals for an interim independent Namibian Government. Page 3

EEC 'afraid'

Turkish Prime Minister Turgut Ozal said the EEC was delaying a thaw of relations with Turkey because "they are afraid we will make our application" to enter the Community.

Japan warned

Dutch Prime Minister Ruud Lubbers warned Japan not to underestimate anti-Japanese feeling in Europe resulting from the trade imbalance. Page 2

French build-up

France is studying a plan to increase its military presence in the troubled South Pacific territory of New Caledonia, officials said.

Indian spy ring

A total of nine diplomats from the Soviet Union, France, Poland and East Germany were involved in India's spy ring uncovered this year, according to charges against Indians involved in the scandal, Press Trust of India reported.

Pakistan riots

Two days of rioting in Karachi have left nine dead and about 100 wounded, as students protested after a fatal bus accident. Page 3

Libyan expelled

Libyan diplomat ordered out of Britain after last year's Libyan People's Bureau police siege in London, was expelled from Belgium where he had been living illegally since February.

Soviet pledge

Soviet Union has told the U.S. it will not permit the future "use of force or weapons" against American military liaison staff in East Germany, but has not apologised for the shooting of a U.S. Army major three weeks ago. Page 6

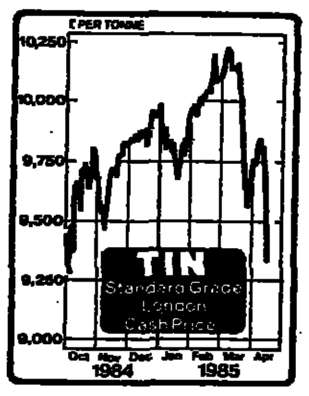
Arms pact

The U.S. and Israel are planning joint development and production of missiles, submarines and patrol boats, to cut costs in updating both navies, according to Mr John Lehman, the U.S. Navy Secretary.

Business summary

Rothschild Holdings buys stake in Tootal

J. ROTHSCHILD Holdings, investment company controlled by Mr Jacob Rothschild, acquired a 6.4 per cent stake in Tootal, the British textile group which is the target of a £128m ($162.5m) takeover offer from Entrad, the Australian textile company. Page 26



TIN fell £190 ($237.5m) a tonne in London to £9,355, reflecting a decline in the Malaysian market and investment fund selling. Page 48

LONDON equities gained more ground on interest rate hopes but gilts tended mixed-to-lower. The FT Ordinary index rose 9.3 to 988.8 Section III

TOKYO shares rebounded, led by a rise in oil and gas issues. The Nikkei-Dow market average rose 94.78 to 12,302.06. Section III

WALL STREET: at 3pm the Dow Jones industrial average was up 1.54 at 1,271.09. Section III

DOLLAR was slightly weaker in London, falling to DM 3.0265 (DM 3.03), FFr 9.23 (9.2475), SwFr 2.525 (SwFr 2.5295) and Y249.35 (Y249.5). On Bank of England figures the dollar's exchange index rose to 144.1 from 144.0. Page 49

STERLING gained 35 points against the dollar in London to close at $1.2785. It was also firmer at DM 3.87 (DM 3.8575), FFr 11.795 (FFr 11.7825), SwFr 3.23 (SwFr 3.215) and Y319.0 (Y318.9). The pound's exchange rate index rose 0.3 to 79.4. Page 49

GOLD rose $2 an ounce on the London bullion market to finish at $328.25. It was lower in Zurich, however, at $327.05. Page 48

MALAYSIA announced reforms to rubber export duty expected to save producers between 200m and 300m ringgit ($80m-$120m) in taxes this year. Page 48

INDIA will invite fresh tenders for a proposed 1,718km cross-country natural gas pipeline, worth about $1.2bn. Page 7

JOHN SHAD, chairman of U.S. Securities and Exchange Commission, told a Senate committee that the recent failures of two Treasury bond-dealing firms "may exacerbate" problems in government securities market.

TWO Saudi petrochemical plants operated by Eastern Petrochemical Company, a joint venture between the Saudi Arabian state corporation, Sabic, and a Mitsubishi-led Japanese consortium, have been completed ahead of schedule.

NOVA-PARK, debt-ridden Swiss group which owns luxury hotels in Zurich and Paris, was declared bankrupt by a Swiss court. Page 26; Background, Page 20

A. P. MØLLER, leading Danish shipping, oil, gas and industrial group, lifted annual earnings to a record DKr 1.1bn ($101.8m) compared with DKr 930m in 1983.

BANK OF AMERICA and Bankers Trust won the contested mandate to arrange a $500m, seven-year Euronote issuance facility for Unilever, the food and consumer products group. Page 50

RIO TINTO-ZINC, British-based mining and industrial group, lifted pre-tax earnings 16 per cent in 1984 to £670.3m ($837.5m) and increased its dividend. Page 32; Lex, Page 26

Satellite mission failure may cost insurers $92m

BY PETER MARSH IN HUNTSVILLE, ALABAMA, AND JOHN MOORE IN LONDON

THE SPACE shuttle Discovery is due to return to Earth tomorrow after yesterday's failure to redeploy a satellite in a dramatic rendezvous 250km out in space.

Insurers in London were yesterday assessing the possible losses, which could result in $92m in claims.

The incident throws more doubt on the shuttle's ability to put space craft safely into orbit and may lead to an increase in an insurance rates for satellite launches.

Already insurance premium rates, which have risen sharply in the last year, range between 16 per cent and 20 per cent of the value of the satellite.

Hughes Aircraft Company, the owner of the satellite, had insured the craft through Marsh & McLennan, the U.S. insurance broker and its London space subsidiary, Bowring Space Projects. About 30 per cent of the insurance is placed with International Technology Underwriters in Washington DC, but more than half the business is placed in Lloyd's and London insurance companies. The leading underwriter on the business in London is understood to Mr Stephen Merrett and his Lloyd's insurance syndicates.

The spacecraft, a Leasat vehicle built by Hughes to rent for the U.S. Navy, is likely to be left drifting in space until it burns up in the Earth's atmosphere in about eight years.

It is the fourth time in about two years that one of the U.S. fleet of three space shuttles has failed to eject a satellite into the correct orbit. During that time insurance groups have had to pay out $282m for three total losses in 1984.

Although the shuttle vehicles have been faultless, problems have arisen with the separate rocket motors onboard some of the satellites carried by the vehicle.

The motors are supposed to push satellites from the low orbit of about 250km reached by a shuttle to a height of 36,000km above the Earth, which is the most popular place for communications satellites.

As a result of such incidents, the backers of Ariane, Western Europe's satellite-launch vehicle, have claimed that complicated launch systems such as the shuttle are inherently prone to faults.

Discovery jettisoned Leasat into space last weekend as planned, but a switch on the satellite failed to deploy so preventing the booster motors from firing.

Yesterday astronauts tried to trigger the switch with a makeshift tool attached to the shuttle's mechanical arm.

The manoeuvre, in which the shuttle drew alongside the satellite, at a distance of only about 10 metres, was abandoned after pieces of plastic in the tool made contact with the switch but failed to start up the firing sequence.

A spokesman for the National Aeronautics and Space Administration (Nasa), the operator of the shuttle fleet, said further attempts to rendezvous with the satellites had been ruled out.

A Hughes spokesman said the company would open discussions with its insurance underwriters about the possibility of mounting a rescue mission for the stricken satellite. But engineers at both Hughes and Nasa say that such a mission is unlikely because of the dangerous fuel on the spacecraft and because it lacks power for communications equipment via which ground stations could send commands.

World needs large and sustained fall in $ – IMF

BY STEWART FLEMING, IN WASHINGTON, AND MAX WILKINSON, ECONOMICS CORRESPONDENT

A SUBSTANTIAL long-term decline in the real value of the dollar is needed to bring the U.S. trade account back into a more reasonable balance, the International Monetary Fund said yesterday.

In its latest World Economic Outlook, released in Washington, the IMF warns that, without a sustained decline of the dollar from recent high levels, the U.S.'s payments on mounting foreign debt would make its current account problems "self-perpetuating," with destabilising consequences for the rest of the world.

Even if the dollar declines at a steady rate of 5 per cent a year in real terms (after adjusting for differing inflation rates) the U.S. external deficit would still be a huge 3 per cent of GNP by the end of the decade.

The IMF strongly rejects the recent U.S. arguments that exchange rates should be left to market forces, pointing out that the imbalances resulting from this policy are "without historic precedent."

In a clear reference to studies of the world monetary system, now at an advanced stage within the Group of Ten major industrial powers, the Fund says that in future the implications of domestic policy for exchange rates and the balance of payments must have a high priority.

It clearly wishes to give encouragement to proposals by Group of Ten officials to give the IMF a tougher policing role and it seems to want this to be more closely linked to questions of desirable exchange rates.

Mr James Baker, the U.S. Treasury Secretary, yesterday gave a further indication that the new team at the Treasury is prepared to be more flexible on these issues. It is stressed by his officials, however, that the Reagan Administration does not support a major upheaval in the present world monetary order.

Mr Baker told the IMF's policy-making interim committee at its opening session in Washington yesterday: "We firmly believe that IMF surveillance can play a key role in encouraging the adoption of sound economic policies in all of our countries."

He said that the "high-level meeting of the major industrial countries," which he proposed in Paris last week, would be aimed at strengthening the IMF and would lead to a debate within the Fund's orbit.

In its latest Outlook, the Fund warns European countries not to be seduced by calls for fiscal reflation along the lines of that practised in the U.S. in recent years.

It says that other countries are not in the same position to attract foreign savings and would not, therefore, be as able as the U.S. to combine a widening fiscal deficit with a boom in private investment.

The Fund stresses the need for continued disciplined financial policies in Europe, with better discipline in the U.S.

It says: "A significant shift in European countries' fiscal policy, such as to make a sizeable dent in existing unemployment levels, would rekindle longer-term fears about the trend in debt and the dangers of monetisation."

Although a small shift in fiscal policy might avoid these dangers, it would have only a marginal effect on growth and could well undermine the credibility of financial policy.

Mr Nigel Lawson, the UK Chancellor of the Exchequer, also stressed to the IMF interim committee the need for continued disciplined policies to build on the gains achieved in the last few years.

IMF predicts 3 per cent world growth, Page 6; U.S. consumer spending falls, Page 6; Editorial comment, Page 24; Lombard, Page 25

National Intergroup merger collapses

By Terry Dodsworth in New York

MERGER PLANS between National Intergroup, the Pittsburgh-based steel group, and Bergen Brunswig, a Los Angeles drugs and consumer electronics company, collapsed yesterday after a deterioration in the steel company's profits performance.

In a joint statement the two companies said that they had "mutually agreed" not to proceed with the merger and were engaged in discussion "with a view to an orderly and satisfactory termination" of their agreement.

The announcement was the second serious blow to Pittsburgh's steel sector within 24 hours, coming shortly after Wheeling-Pittsburgh's filing for protection from creditors under Chapter 11 provisions of the U.S. bankruptcy code.

Only last week National said that it was being forced to revise its income statement for 1984 because of "unauthorised" commitments to purchase aluminium ingots. The revision reduced earnings by $38.9m, reducing them $52.6m to $13.7m, reflecting charges that the company was required to take after an audit of the aluminium contracts.

Mr Howard Love, chairman of National, and Mr Emil Martini, chairman of Bergen Brunswig, said yesterday that the decision to cancel the merger had also been influenced by deterioration in the steel company's earnings in the first quarter of this year.

National said that it was expecting to report a loss of about $1 a share for the quarter – the equivalent of about $20m. Mr Love said, however, that he believed earnings would improve in the second half of the year and that the group would show a profit for the full year.

National's abortive deal with Brunswig was the most adventurous of the diversification and merger strategies so far proposed in the hard-hit U.S. steel industry. The company has been trying to diversify out of steel for several years, moving heavily into the financial services sector. Last year it sold half of its steel subsidiary to Nippon Kokan (NKK) of Japan.

The agreement with Bergen Brunswig was aimed at bringing National's cash resources to the support of the expansion of a rapidly-growing distribution business.

UK group and Westinghouse in N-venture talks

BY DAVID FISHLOCK, SCIENCE EDITOR, IN LONDON

THE NATIONAL Nuclear Corporation, a consortium which designs and builds nuclear stations in Britain, is discussing a British-based joint enterprise with Westinghouse Electric of the U.S., the world's leading nuclear contractor, that could lead to important export contracts for British companies.

Initially, the new enterprise would design and construct the nuclear steam supply system for the proposed Sizewell B pressurised water reactor power station in Suffolk, in eastern England, assuming the £1.2bn ($1.53bn) project is given the government go-ahead.

The £200m contract would be on a fixed price basis, the first on the nuclear front for the consortium since it was set up in 1974.

International nuclear contracts are invariably on this basis. The consortium, however, which at present operates virtually as a captive arm of the Central Electricity Generating Board (CEGB), is undertaking its current domestic contracts on a cost-plus basis. That means that the customer shoulders all the financial risk.

Talks are to start next week on the venture, in which Westinghouse would initially have a 90 per cent shareholding. But the NNC's shareholding would grow rapidly with each successive contract for a station of the Sizewell B design.

If it goes ahead it should facilitate access for British nuclear companies to contracts for overseas PWR stations, for sub-systems and components rather than complete PWRs.

Most nuclear stations today are financed and manufactured by several different countries. The last eight Westinghouse PWR contracts have involved multi-source financing, and engineering contracts have followed the sources of finance, the company says.

The major shareholders in the National Nuclear Corporation in addition to the UK Atomic Energy Authority include General Electric Company, Babcock International, NEI and Taylor Woodrow.

The CEGB is already in negotiations with Westinghouse over the Sizewell B project.

A similar relationship to that under discussion was established between Framatome, the French nuclear reactor company, and Westinghouse in the early 1970s. When the French later reduced its partner's shareholding to a very low level, Westinghouse and Framatome became international competitors.

The CEGB hopes to persuade the Government to order several copies of the Sizewell B design in quick succession as replacements for its ageing Magnox nuclear plants, which will be up to 30-years-old before Sizewell is finished.

Sir Walter Marshall, chairman of the CEGB, who has been closely involved in attempts to get the leading UK companies to accept fixed-price nuclear contracts and accept some of the financial risks now borne entirely by his board, says "the idea of NNC taking any part of a fixed-price contract is wonderful."

For the past year the CEGB has insisted that Westinghouse should seek to place as much of the nuclear manufacture – totalling about 15 per cent of the estimated total cost of £1.2bn – with British companies subject to satisfactory tenders on quality and price.

Lebanese Prime Minister stays as caretaker

By Nora Boustany in Beirut

MR RASHID KARAMI, Lebanon's Prime Minister, agreed last night toi head a caretaker administration. His resignation earlier yesterday had plunged the country into further political turmoil after 16 hours of vicious house-to-house fighting for control of West Beirut.

His readiness to act as a caretaker Prime Minister gave Lebanon a semblance of continued government and followed a conversation with President Amin Gemayel who previously had spoken with President Hafez al Assad of Syria. Mr Karami, a Sunni Moslem like all past premiers, is believed to carry on in an interim basis as a result of heavy pressure from the Syrian regime with which he has always co-operated closely.

He submitted his resignation after forces of the mainstream Shia Amal movement and the Progressive Socialist Party (PSP) of the Druze sect, its lesser partner, had established control over West Beirut, dominated by them since February 1984, pushing out the Sunni Mourabitoun and their Palestinian guerrilla allies.

Mr Karami's action seemed almost an act of despair. The 74-year-old veteran politican said in a broadcast after the Government fell: "What am I to say to the people? What am I to say to justify what has happened in Beirut? No one can justify what is taking place."

Yesterday evening, hospitals reported at least 20 dead and 155 wounded.

The fall of the "Government of National Unity," formed nearly a year ago, looked inevitable after Dr Selim als Hoss, also a Sunni, but also the only respected technocrat in the administration, had submitted his resignation.

The Amal movement asserted its domination over West Beirut after 18 hours of non-stop combat with tactical assistance and battle support from the Druze fighters of the PSP. They routed out remaining pockets of the Sunni Moslem Mourabitoun militia that was backed by Palestinian guerrillas loyal to Mr Yassir Arafat, chairman of the Palestine Liberation Organisation.

The clashes broke out on Tuesday afternoon after disagreement over the opening of militia offices in an area contested by Amal and the Morabitoun. Palestinian guerrillas joined the fight on the side of the Mourabitoun and other affiliated

Continued on Page 26

'Pax Syrannica' collapses, Page 3; Editorial comment, Page 24

AT&T buys Synertek assets

BY PAUL TAYLOR IN NEW YORK

AMERICAN Telephone & Telegraph (AT&T), the U.S. telecommunications group, is to acquire most of the assets of Synertek, Honeywell's ill-fated semiconductor subsidiary, including a new $100m manufacturing plant in Santa Cruz, California, and facilities in Bangkok, Singapore and Munich.

The surprise move was announced by Mr Charles Brown, AT&T's chairman, at the company's 100th annual meeting in Pittsburgh, yesterday.

Separately, AT&T announced a sharp 56 per cent jump in first-quarter net earnings to $354m, or 31 cents a share, on net operating revenues, excluding the charges AT&T pays to local telephone companies to complete long distance connections, of $8.3bn. The latest results compare with net earnings of $227m, or 20 cents a share, on net operating revenues of $8.139bn in the same period last year.

Mr Brown also announced an aggressive plan to cut long distance telephone charges by more than $1bn a year. The plan, subject to the approval of the Federal Communications Commission, represents AT&T's latest response to the fierce battle for business among cut-price long distance carriers. The telephone charge reduction would come into effect from June 1.

He said AT&T had signed a letter of intent to purchase the Synertex assets, but added that the price was still being negotiated.

Honeywell closed Synertek's operations and put the loss-making unit on the auction block four months ago, taking a $70.6m charge against fourth-quarter charges in the process.

Lex, Page 26

CONTENTS

France calls for wider hi-tech collaboration

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is approaching its European partners with a fresh initiative for wide ranging European collaboration in high technology areas such as large-scale computers, high-powered lasers, artificial intelligence and microprocessors.

The French idea is modelled on the European "Esprit" electronics programme, but encompasses a far wider field. It also draws on the proposals put forward at the recent Brussels summit by M Jackues Delors, the president of the European Commission, for a greater pooling of technology resources in Europe and, in French eyes, could embrace European collaboration on the U.S. Star Wars space defence programme.

The initiative tentatively called "Eureka" was announced after the weekly cabinet meeting. The Foreign Ministry said that French embassies in European capitals had already made other governments aware of French thinking on the project. At this stage, however, the proposals are said to be vague and intended to provoke discussion.

M Roland Mumas intends to raise the project with member states of the seven nation Western Eurgpean Union at their meeting in Bonn next week, which will be attended by both foreign and defence ministers.

This meeting will also be discussing a European response to the U.S. offer to participate into research on the Star Wars strategic defence initiative.

President Francois Mitterrand was reported to have told the cabinet that he had in mind a "very ambitious programme" of research and development at a European level. Other areas that could come within the scope of study would be information technology and new developments in optics. But the French are clearly looking both to strike out some items as well as adding others.

After the WE meeting, M Dumas intends to raise the subject again at a European foreign ministers meeting in Luxembourg later this month.

Behind the French move is a continuing preoccupation of M Mitterrand that, while Europe collectively spends more on research than either Japan or the U.S. it gets far less in terms of results because of the diffuseness of the effort and the duplication of programmes. France was said by officials yesterday to have West German support for the project.

Japan told of tension over trade

MR RUUD LUBBERS, the Dutch Prime Minister, warned Japan yesterday not to underestimate anti-Japanese feeling in Europe resulting from the imbalance in trade, **Reuter reports from Tokyo.**

Mr Lubbers, who arrived in Japan yesterday for a five-day official visit, was quoted by the Japanese Foreign Ministry as saying: "I can understand the importance for Japan of economic relations with the United States. But we are concerned that Japan may underestimate anti-Japanese tension in Europe and there is a danger of it exploding some day."

The EEC ran a $10bn trade deficit with Japan last year, while the U.S. deficit reached $37bn. Japan announced a set of market-opening measures on April 9, the seventh package since 1981, and Mr Yasuhiro Nakasone, the Prime Minister, called on the Japanese to buy more foreign goods.

The spokesman also quoted Mr Lubbers as saying "non-tariff barriers are the main problems in trade between Japan and The Netherlands rather than price and customs problems."

As an example, he said, Japan was the only nation trading with The Netherlands that required flower bulbs to be planted there for virus checks before allowing imports.

He also called on Tokyo to allow KLM, the Dutch national airline, to fly the Polar route four times a week, one more flight than now, and for Japan to buy Dutch planes.

The spokesman quoted Mr Nakasone as saying his Government was taking all its trading partners into consideration, not only the U.S., and was making efforts to hold a new round of international trade talks.

He said Japan would study the bulb issue and other Dutch trade problems. Many countries wished to sell aircraft to Japan and the Government would treat them equally, the spokesman said.

The two leaders also discussed the planned deployment of U.S. cruise missiles in The Netherlands

BUSINESS LAW

Steel subsidies come under fire

BY A. H. HERMANN, LEGAL CORRESPONDENT, IN LONDON

EXCEPT when receiving subsidies from public funds, the European steel barons do not suffer politicians gladly if they are trying to interfere with their industry. They are even less used to their affairs being ordered in courts. However, the shrinkage of the world market and the emergence of more efficient steel-makers overseas have changed things markedly.

Indeed, the steel barons (a term including their untitled associates) are now between two judicial millstones. Last month the U.S. Court of International Trade declared that the EEC-approved state aids to the steel industry went beyond what was needed to enable the closure of excess capacities. The court concluded that aids helped the European steel companies to be more competitive in the market place and thus justified U.S. countervailing duties.

It is an embarrassing coincidence that the EEC Commission has been defending its state aids decision of 1983 in the European Court by arguing that it is not obliged to approve only such amounts of state aids which are strictly proportional to the reduction of capacities, although this need not necessarily support the conclusion of the U.S. court.

The U.S. decision was made in appeal proceedings brought by the British Steel Corporation against the imposition by the U.S. Department of Commerce of a countervailing duty on stainless steel plate from the UK. The subsidies which the department found objectionable were provided by the British Government to assist with the closure of inefficient plants and to deal with the resulting redundancies. These subsidies are not very different from those granted, also with the approval of the EEC Commission, in other member states. A spate of U.S. anti-dumping decisions in 1982 was at least temporarily halted by the U.S./EEC steel agreement which limited imports of certain steel products.

The main argument in the appeal against the Department of Commerce decision was that the state aid provided to British Steel for restructuring was consistent with commercial considerations, and therefore not an object of the protective anti-dumping rules of U.S. law.

However, the U.S. Court of International Trade found that the British steel aids did not pass this test. It concluded that no private investor expecting a reasonable rate of return within a reasonable time would have even considered investing money in British Steel in the course of its restructuring. This part of the judgment is questionable because the industry is state-owned and it could have been hardly proved that under no circumstances do private owners provide additional capital to prevent a total collapse of their enterprise.

The U.S. court made, however, doubly sure, underpinning the countervailing duty, by a finding that the British state aids to its steel industry were related not only to restructuring and to closure of excess capacities but that they represented subsidies designed to make the industry more competitive on the world market. In other words, the state restructuring aids approved by the EEC Commission were said to be, at least partly, indirect export subsidies and as such qualified under the U.S. anti-dumping measure.

Curiously, this U.S. decision, handed down last month, comes just before the European Court has to make up its mind in case 214/63, about an action brought by the German Government in 1983. It complained that the Commission in approving state aids did not treat all member states equally, approving much higher subsidies to the Belgian, British, French and Italian industries than those it approved in Germany.

The West German Government asked the court to annul, entirely or partly, the Commission's decisions of June 29, 1983, in as far as these approved state aids which could not be shown to be indispensable for restructuring of the steel industry. It seems, therefore, that the view taken by the U.S. court has some support in Germany.

In its defence the Commission argues that the second State Aid Code, containing guidelines under which the Commission made the attacked decisions, does not require a mathematical correlation between the amount of approved state aids and capacity closures. It contends that also the regional and social consequences of the closures must be taken into account. Its decisions also took into account that closures were greatest in the most subsidised enterprises and, consequently, these decisions could not be described as unfair or discriminatory.

Bonn submitted that its industry was asked to cut steel capacity – about 6m tonnes in consideration of state aids amounting to Ecu 4.3bn ($3.2bn). This would suggest that the appropriate subsidy for the closure of one tonne of capacity is about Ecu 720. However, the undisputed rate of subsidies per tonne of closed capacity amounted to Ecu 2,236 in Belgium, Ecu 3,240 in the UK, Ecu 3,624 in France and Ecu 4,200 in Italy. Consequently, the German Government asks that the approval should be withdrawn for the excess which amounts to Ecu 1,651bn in Belgium, Ecu 2,519bn in the UK, Ecu 3,789bn in France and Ecu 6,070bn in Italy.

Although the arguments before the European Court are mainly concerned with subsidies per tonne of closed capacity, it is the number of jobs lost which provides the political impetus behind the legal disputes. Last year the workforce of the EEC steel industry was reduced by 32,900. Of this number one-third each was borne by Germany and Italy, while the remaining third was divided between the other seven steel-producing countries.

While more than 11,000 jobs were lost in Germany and Italy, in the 1983-84 period only 2,000 were lost in the UK. However, when one compares the reduction of the workforce between 1979 and 1984, the UK comes out much worse than Germany or Italy. In both these countries the workforce was reduced in the course of five years by 25 per cent (and by 30 per cent in France), while the workforce in British steelworks was reduced by 65 per cent from 156,000 in 1979 to 61,000 in 1984.

Apart from these economic and social issues, the case represents an interesting and highly questionable attempt by Germany to make the court go beyond the usual range of judicial review and to substitute its own decision for that of the Commission.

One can discern three levels in the German complaint. First, it complains that the Commission took into account state aid notifications which arrived too late and, moreover, did not consult sufficiently with member states. To annul the decisions on such procedural grounds would be clearly within the scope of judicial review.

Second, it complains that the decisions did not relate the approved state subsidies to closed capacities by a simple arithmetic formula. Here again, it is within the normal jurisdiction of the court to say whether the rules under which the Commission operates require such a mathematical link or not.

But when the German Government asks that the decisions should be invalidated as far as the court finds that the subsidies are not indispensable for the restructuring, it seems to be asking too much from the court.

However, one could argue that figures of this kind are more often the product of politicians than of accountants, and that the court's guess is as good as anyone's.

Danish plan for Baltic islands link unveiled

By Our Copenhagen Correspondent

THE Danish Government yesterday unveiled draft proposals for one of the biggest traffic projects ever contemplated in northern Europe —a bridge and/or tunnel linking Denmark's two biggest islands at the mouth of the Baltic.

Similar in magnitude to the proposed Channel Tunnel between England and France, it would connect the main Danish island of Zealand on which Copenhagen stands, with Funen, 18 miles to the west across the Great Belt waterway. The possibility of spanning the Great Belt has been discussed since the 1850s.

The proposal is for a 3.7 mile low-level rail and road bridge from Funen, to the mid-Belt islet of Sprogoe, which in turn would be linked either by suspension bridge or tunnel to Zealand. The Government favours bridges rather than tunnels and puts the cost around DKr 10bn (£725m). It believes the project could be completed by 1993

The tunnel/bridge option has been left open in the meantime pending a parliamentary debate at the end of this month and negotiations between the centre-right minority coalition and the opposition Social Democrats.

The Government is stressing the advantages of a link across the Great Belt in terms of employment, and savings of energy and investment in ferries and ports infrastructure. The state would bear the cost of the project initially, but this would be recouped by a toll system.

If the Great Belt project gets under way next year, as now seems more likely, the Danish and Swedish Governments are to look into the possibilities of improving links between their two countries by constructing railway tunnels and/or road bridges over the narrows of the Baltic Sound between the Danish island of Zealand and south Sweden.

Paris voices concern about Unesco

By Paul Betts in Paris

FRANCE HAS joined other industrialised countries in expressing serious misgivings about the UN Education Scientific and Cultural Organisation (Unesco) and calling for urgent reforms at the Paris-based agency.

In recent months, there has been a marked evolution in the French position towards Unesco. Up to now, France had generally been seen as adopting a more sympathetic attitude than other Western countries to the agency and its controversial director-general, Mr Amadou Mahtar M'Bow.

M Roland Dumas, the French Foreign Minister, told the French national commission on Unesco that France was now "extremely vigilant" on the application of reforms and wanted to see "more transparent management" to enable better control of Unesco spending.

France had originally deplored the decision of the U.S. to leave the agency thus depriving it of half its budget. At the same time, France recently made a special contribution of $2m to help offset the loss of revenue

However, it appears recently to have hardened its position towards the UN agency.

M Dumas warned of the dangers of international organisations moving away from their original role and becoming propaganda tools in the service of a few vested interests. Many Western countries, especially the U.S., have complained bitterly about Unesco's increasing politicisation and what they feel is its growing anti-Western attitude.

France's tougher position also coincides with the resignation of M Gerard Bolla, Unesco's spokesman and deputy director general. He has given no reason for his decision to step down, but his departure has worried some western delegates.

East Germany seeks increase in Bonn credit

BY RUPERT CORNWELL IN BONN

HERR GUENTER MITTAG, a leading East German politburo member and the country's economics chief, arrived here last night for talks which are expected to centre on measures to stem the flood of Third World political asylum-seekers through East Germany to West Berlin, and an increase in the "swing credit" used to finance trade between the two German states.

His two days in West Germany will be divided between Bonn, where he will meet Chancellor Helmut Kohl and other senior politicians, and Hannover where he will be attending the industrial trade fair which opened to the public yesterday.

Officials here are cautioning against any dramatic development in the ties between the two states. But they see the visit as an important opportunity to build on the easier climate between them, noticeable at the meeting between the Chancellor and Herr Erich Honecker, the East German leader, at the funeral of the late President Konstantin Cherenko in Moscow a month ago.

Perhaps the most important aspect of the talks will be pressure from Bonn to secure East German agreement, along with that of some Scandinavian states, for steps to clamp down on "refugees" from countries like Iran and Sri Lanka taking advantage of West Germany's liberal asylum regulations.

Last year, 35,000 people applied for asylum here, putting extra strain on the welfare budget, and at a time when West Germany's domestic unemployment was more than 2m. Of these, 12,000 are reckoned to have crossed to West Berlin from the East alone, through a somewhat unlikely chink in the Berlin wall.

Herr Mittag will also be aiming to finalise the negotiations under way for an increase in the "swing credit," essentially an interest free overdraft facility used to underpin purchases by one country from the other.

The current credit of DM 600m (£155m) expires at the end of this year. It is expected that its ceiling will then be lifted to DM 850m or more, although some politicians here have warned Bonn not to agree to an increase without concessions by East Berlin on the human rights front.

The about-turn in trade between the two German states last year in which East Germany had a DM 1.5bn surplus means that East Berlin is under less pressure than in the past.

In spite of the flurry of exchanges lately involving senior figures from both countries, Bonn is trying to dampen speculatio that Herr Honecker might later this year make his historic visit to West Germany, after its abrupt postponement last autumn under intense Soviet pressure.

● Warsaw Pact leaders are expected to meet shortly in the Polish capital to renew the alliance's treaty which elapses on June 3, writes Leslie Colitt in East Berlin. Preparations are under way to hold the summit meeting late this month, according to East European diplomats here.

It will be Mr Mikhail Gorbachev's first visit to an East European country since his election last month as head of the Soviet Communist Party. The meeting will also provide an opportunity for the Pact to issue a political statement just before the economic summit conference of leading Western industrial nations in Bonn early next month.

The Warsaw pact is thought likely to be renewed for 20 years. The original treaty was signed May 14, 1955, for a similar period and went into effect on June 4 after Albania, the last of the eight signatories, ratified it. Albania became the only country to leave the Pact in 1968 after the Soviet-led occupation of Czechoslovakia. The treaty was automatically extended for 10 years in 1975.

This time, Romania is thought to have wanted a five-year renewal but apparently backed down.

Craxi looks for consensus on Community integration

BY IVO DAWNAY IN STRASBOURG

SIG BETTINO CRAXI, the Italian Prime Minister, yesterday told the European Parliament that new talks on further EEC integration are to begin shortly.

Speaking as current president of the European Council, he told MEPs here that he would be pressing ahead with bilateral discussions at "the highest political level" in the hope of finding a broad consensus before the Community summit in Milan next June.

The talks are expected to begin in the margins of the world economic summit in Bonn next month. Sig Craxi may then follow up with a tour of the EEC capitals for individual meetings with each head of government.

The starting point for discussions will be report of the ad hoc committee on institutional reform, set up at the Fontainebleau summit last June under the chairmanship of Senator Jim Dooge, the former Irish Foreign Minister.

Its findings, formally submitted to heads of government last month, have dividend member states. In a majority report, the Dooge committee recommended the abandonment of the formal right of veto and the adoption of majority voting as the key step towards European union.

Though this has been broadly accepted by the Community's founder states, strong reservations have been expressed by Britain, Denmark, Greece and Ireland. The British, Danes and Greeks have also given a lukewarm reaction to proposals for an intergovernmental conference to draw up a new European treaty, replacing the Treaty of Rome, giving greater powers to the Parliament and extending political consultation between member states.

Ireland, for its part, is particularly opposed to any developments in defence and security co-operation that would jeopardise its neutrality.

Despite these problems, Senator Dooge insisted yesterday that there is enough flexibility among member states to allow the conference to go ahead, perhaps as early as September. The greatest hurdle, however, will be the UK.

New Caledonia base planned

BY OUR PARIS CORRESPONDENT

THE FRENCH Government is preparing to establish a strategic base in New Caledonia as a way of demonstrating its continuing commitment to the territory in advance of final decisions on its future.

Details of the proposals for the strategic base emerged yesterday when it was also disclosed that a nuclear-powered submarine, the Rubis, had also left for an extended patrol in the waters off New Caledonia.

President Francois Mitterrand first mentioned his objective of establishing a strategic base on the islands after his surprise visit to New Caledonia at the beginning of the year. The proposals include enlarging the port of Noumea to accommodate two corvettes and a nuclear-powered submarine and the stationing of a force of four Jaguar aircraft on the islands. The runway of the airport at La Tontouta would be extended as well. The total cost would run to about FFr 400m (£34m) but the details have yet to be confirmed.

The political goal behind the move is to reassure the French residents in the territory that the Government's project for independence in association with France would not mean the abandonment of the islands.

The Government is expected to decide the final details of the controversial choice it will put to the territory by the end of the month.

Carrillo breach with party leaders looks irrevocable

BY DAVID WHITE IN MADRID

THE DIVORCE between the current leadership of the Spanish Communist Party (PCE) and Sr Santiago Carrillo, the man who led it for more than 20 years, is due to become irrevocable tomorrow at a crucial central committee meeting.

The meeting marks the end of the fortnight given to Sr Carrillo and his followers to fall into line or lose their posts on the party's central and executive committees.

The 70-year-old Sr Carrillo, who resigned as secretary-general after an electoral rout in 1982, has already been replaced this week as Communist spokesman in Parliament, where his biting rhetoric made him one of the the most familiar figures of the post-Franco period.

Tomorrow's meeting brings to a climax a long-existing split in allegiances between Sr Carrillo and the man he nominated to take over, Sr Gerardo Iglesias, a 39-year-old former miner.

The last straw has been a plan to form an electoral alliance with other parties and pacifist groups to the left of the ruling Socialists. Sr Carrillo's camp opposes this, and is accused by the leadership of forming a counter-platform by proposing a "union of Communists" which would mean mending bridges with a pro-Soviet splinter group.

In his usual caustic style, Sr Carrillo has accused Sr Iglesias of a "coup d'etat in the party" and of lacking the political guts to throw him, Sr Carrillo, out altogether. Leader of the party during its conversion to "Eurocommunism," Sr Carrillo has been invoking the spirit of the October Revolution to rally support.

Since a hard-fought party congress in December, 1983, Sr Iglesias has the whole of the secretariat behind him, with the Carrillo camp, which has important regional strongholds in Madrid, Valencia, the Basque country and Galicia, holding on to five seats on the 27-member executive committee.

The central committee is the main organ of the party, and elects the executive committee, the 11-man secretariat, the secretary-general and the president (a post held by the legendary 89-year-old Dolores Ibarruri, La Pasionaria).

The party, which went through a series of splits and expulsions under Sr Carrillo, is currently preparing a major campaign against President Ronald Reagan's visit to Spain next month and against Spain's continued membership of Nato. At the last general election in 1982, it lost 11 of its 15 seats in Parliament.

Brussels wants EEC to put money in the movies

BY PAUL CHEESERIGHT IN BRUSSELS

THE CELLULOID dream has cast its spell over the sober bureaucrats of the Berlaymont. The European Commission yesterday opened up the vision of film magnates sweeping in looking for front-end money.

It wants to take the European Community into the fovies, or, to use its own words, provide "a support regime for cinematographic and televisual co-productions of fiction."

Where three co-producers are gathered together from different countries of the Community, the Commission is ready to put up 10 per cent of the money as an advance against revenue. It thinks it ought to be possible to support 40 productions a year.

However, like the most indulgent of theatrical angels, but unlike the U.S. producers who are the cutting edge of the competition, it has little idea of what all this will cost. Nor, indeed, does it know whether the politicians will share the same ambition.

It hopes to have some figures next month when it will be getting ready to launch the idea on ministers of culture. Diplomats, whose view of the EEC cultural identity is less precise than that of the Commission, think that then "there will be no show at all."

Computer shortage hinders Soviet schools programme

BY PATRICK COCKBURN IN MOSCOW

THE LACK of personal computers and of staff trained to use them is hindering the introduction of computers into Soviet schools which is due to start this September.

The scheme is to start with computer rooms, each with 15-20 machines, in 200 schools and 300 training establishments. This will eventually expand to 70,000 such rooms, and the aim is to achieve universal computer literacy among children leaving school by the end of the century.

Mr Ivan Zverev, vice president of the Academy of the Teaching Sciences, says, however, that even institutes for mathematics and teachers in the use of computers often lack computers themselves, while the schools require "microcomputers, printers and individual terminals."

Mr Zverev says that, so far, only a handful of Soviet schools have the machines. They have been installed in several schools in Moscow, there is a room with 20 computers at a school in Novosibirsk in Siberia, Zelenograd has one, Tratu University another and a school in Rostov has one. Overall the number available is very limited.

The reason is that the use and manufacture of personal computers has only recently been given priority. The two Soviet machines—the Agate and the Timur—are both in short supply and the Soviet Union has been looking to foreign suppliers for computers and eventually for joint manufacturing agreements.

Computerisation and teaching the use of computers in schools has recently been the subject of politburo discussions and the Academy of Sciences has added a section for dealing with computers.

The need for the new technology has been extensively publicised in the Press. An article in one newspaper recently pointed out that computers were "leading to fundamental structural changes in the fields of production, consumption, management, lifestyle, education and culture."

But Soviet management has often been slow to employ computers, despite studies showing that their use in planning the construction of new plant produces a saving in capital investment of 5-10 per cent.

In terms of practical management a senior scientist specialising in computers says that the chief hindrance to their use in the Soviet economy is that "positive results from the best automated management systems are not being properly rewarded." This lack of incentive is the most important factor slowing the employment of new technology, he says.

● Soviet industrial production in March rose by 2.7 per cent compared with the same month lest year, reports Pravda, the Communist Party newspaper. But because one less day was worked this year daily output was up 5.9 per cent. Output in industry, hit by bad weather, increased by only 1.9 per cent in the first two months.

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NZ rugby tour of S. Africa to go ahead

BY DAI HAYWARD IN WELLINGTON

THE New Zealand Rugby Union yesterday defied its own Government, and a large body of public opinion, by deciding to go ahead with its July tour of South Africa.

Prime Minister David Lange, an outspoken opponent of the tour, heard of the decision as he was boarding an aircraft in the Australian capital of Canberra on his way home from a tour of black Africa. "They knew the score," he said, visibly upset, "and it's to their eternal shame that they decided to go."

Deputy Prime Minister Geoffrey Palmer said: "This is a very, sad day. *It is a day of* shame for the Rugby Union. The Rugby Union stands alone in its attitude and decision to persist with this tour."

Union chairman Ces Blazey said there had been a substantial Union majority in favour of sending the national team, the All Blacks. The union had considered many submissions and thought long and hard about the implications of the tour. In the end, however, it decided that sport and politics should be kept separate.

Within minutes of the decision, church bells in Auckland and other New Zealand cities began tolling a mournful dirge. Church leaders said the protest was a mourning for the loss of the good name of New Zealand and for the Africans "who may suffer if they protest against the presence of the rugby team."

Speaking from India on Tuesday, Mr Lange said that, even if Union voted to go ahead, the Government would still apply all the pressure it could to have the decision reversed. During his African tour, he told African leaders that he believed the tour would not go ahead.

New Zealand anti-apartheid groups are already planning mass protests, particularly at rugby grounds.

In 1981, when the South African national side, the Springboks, toured New Zealand, there were violent demonstrations and clashes between anti-apartheid groups and the police. The country was divided on the issue, and since then there have been strong indications that many who supported the 1981 tour are now opposed to the All Blacks going to South Africa.

● Australian Prime Minister Bob Hawke said that he would attempt to end rugby matches between Australia and New Zealand, Agencies report. The decision, he said, "will have adverse repercussions internationally, quite apart from the basic principle of giving comfort to a racist regime."

● The South African Government welcomed the decision as a "victory for sports autonomy." Anti-apartheid groups condemned the move.

Visit highlights problem of enforcing Gleneagles pact

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

THE New Zealand Rugby Union's decision to go ahead with its July tour of South Africa is in direct conflict with the spirit of the Gleneagles Agreement of 1977, in which Commonwealth countries undertook to discourage sporting contacts with South Africa.

At the same time, like similar tours of South Africa by the British Lions' Rugby team in 1984 and individual West Indian cricketers in 1983, the New Zealand decision highlights the difficulty of enforcing the Gleneagles Agreement.

That agreement calls on governments "to take every practical step to discourage contact or competition by their nationals with sporting organisations, teams or sportsmen from South Africa or from any other country where sports are organised on the basis of race, colour and ethnic origins." It acknowledges that each government must determine in accordance with its own laws the methods to discharge the commitments it has undertaken.

What it does not do specifically, is to prevent the various sporting federations from contravening the Gleneagles Agreement and, in the older democracies at least, there is no legal way in which governments can enforce it. Thus, the British Lions' tour of South Africa in the summer of last year went ahead in spite of its condemnation by the British Government and the vast majority of the country's sporting organisations.

In the case of the New Zealand rugby tour, as in the case of the British Lions' tour, officials of the Commonwealth Secretariat consider that the two governments did their utmost to dissuade their respective rugby authorities from going ahead with their visits. But pressure can be applied which could yet change the New Zealand Rugby Union's mind.

On the occasion of the Springboks' tour of South Africa in 1981, when it was felt that the New Zealand Government had not been firm enough with its own rugby authorities, the Commonwealth finance ministers called off their scheduled meeting in Auckland in September of that year.

The Gleneagles Agreement has also been given a few more teeth by the so-called Brisbane Code of Conduct of 1982, which enables the Commonwealth Games Federation to adopt certain sanctions against offending member sports organisations.

The Brisbane Code ensures that any sportsman or administrator who contravenes the Gleneagles agreement would be barred from future Commonwealth Games. It also gives special powers to the Commonwealth Games F

Since rugby is not part of the Commonwealth Games, the Brisbane Code does not present a direct threat to the rugby authorities of any member country.

Car strike challenge for South Korea

By Steven B. Butler in Seoul

A STRIKE by assembly line workers has shut down the main car plant of South Korea's Daewoo Motor Company, a 50-50 joint venture between Daewoo and General Motors.

The strike will be seen as a test of how South Korea will handle its increasingly leftist labour force. Low wages, excellent labour discipline and weak unions have been a principal attraction for foreign investors and have helped to keep Korea's industries highly competitive.

Some 2,100 unionised workers at the company's Pupyung plant walked off the job on Monday, demanding a 23 per cent increase in wages plus other benefits, according to the company. The company countered with an offer to increase wages by 10 per cent.

Korean workers have increasingly been demanding bigger rewards in the wake of the nation's impressive economic growth. Last year the economy expanded by 7.6 per cent in real terms.

Many observers have been predicting greater labour unrest this year. Says a diplomat: "This is the year to play catch-up for past years when they did not get much at all."

In 1984 the Pupyung produced some 42,000 passenger cars, trucks and buses for the domestic market. Daewoo and General Motors last year agreed to a standard joint venture and are currently building a new plant for the manufacture of an annual 167,000 small front-wheel drive cars, up to half for export.

A company official said that pressure for a wage increase had grown since Daewoo had taken over the company from Saehan Motor Company, and began to turn a profit in 1983. He did not expect a quick settlement of the dispute. "It will take time to satisfy both sides," the official said.

Karachi hit by rioting

TWO DAYS of rioting in Karachi, Pakistan's biggest city, and business centre, has left nine dead, hospital sources said.

A number of businesses and banks were affected as demonstrators tried to set the nationalised banks on fire, and looted shops in Karachi-West region of the city. The region has a population of 2m, out of a total population of 7m for the whole of Karachi. All businesses in the area remained closed on Tuesday and yesterday.

The Government imposed indefinite curfew on Tuesday night, and it was still continuing till late yesterday. Army troops were patrolling the area.

The trouble started when a privately-owned bus ran over a group of college girls waiting for transport. One girl died on the spot and another died in hospital.

Botha to reveal Namibia plans

BY ANTHONY ROBINSON RECENTLY IN WINDHOEK

THE LATEST South African thinking on the future of Namibia will be revealed today when President P. W. Botha tells Parliament of the Government's response to new proposals for an interim government for the former League of Nations trust territory which South Africa has ruled illegally since 1901.

Namibia has been ruled directly by Pretoria through its Administrator General, Mr Willie Van Niekerk, since January 1983 when it abruptly terminated an experiement in limited self-rule under a coalition of internal parties headed by Mr Dirk Mudge, head of the Democratic Turnhalle Alliance (DTA).

After lengthy inter-party negotiations a new coalition of six internal parties called the Multi Party Conference (MPC) has been formed. On March 24 it presented President Botha with proposals for a new interim Government which would include a 62-member National Assembly, an eight-member Council of Ministers and a 16-seat Constitutional Council charged with drawing up a draft constitution for an independent Namibia.

The new proposals are viewed with concern by the five-nation Western "contact group"—consisting of the U.S., Canada, Britain, West Germany and France—set up to nudge South Africa towards implementation of independence for Namibia under UN Resolution 435. This calls for creation of a UN force to oversee elections on a one-man, one-vote basis to a Constituent Assembly which would draw up a new constitution.

Over the last few weeks ambassadors from the contact group countries have made clear their governments' continuing commitment to the 435 proposals.

On Tuesday Mr George Shultz, the U.S. Secretary of State, reaffirmed the U.S. commitment in his major speech on Southern Africa before the National Press Club in Washington. "Let there be no mistake about it, UN Security Council Resolution 435 remains the only internationally acceptable base for a solution," he said.

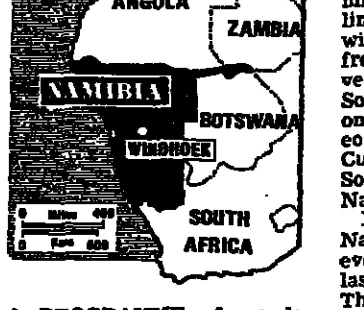
The South African Government also remains formally committed to Resolution 435 but has linked implementation to the withdrawal of Cuban troops from Angola. No agreement has yet been reached between U.S., South Africa, Angola and Cuba on a timetable for the simultaneous phased withdrawal of Cuban troops from Angola and South African forces from Namibia.

In a ceremony on the Angolan-Namibia border yesterday, however, South Africa withdrew the last of its forces from Angola. These were the remnants of the December 1983 Operation Askari under which South African forces invaded Southern Angola to destroy the bases and supply lines of South West Africa Peoples Organisation (Swapo)

The unilateral withdrawal follows a successful South African campaign against Swapo's latest wet season offensive and Mr Pik Botha, the Minister of Foreign Affairs, said: "South Africa stands to gain more politically than it will lose militarily by withdrawal."

President Botha is expected to try to allay fears that South Africa is planning a regional rather than international solution to Namibian independence by linking acceptance of the interim Government plan with an assurance that South Africa remains committed to an internationally recognised solution under Resolution 435.

But it remains hostile to granting independence to a Swapo-dominated government in Windhoek and wants assurance that any future independent government will not lead to economic and political turmoil in Namibia and a security risk to South Africa.



A PROGRAMME of mandatory sanctions and additional voluntary embargoes against South Africa are likely to be called for this weekend by a conference in New Delhi of non-aligned countries led by India, John Elliott reports from New Delhi.

A draft declaration prepared for a meeting of the delegations' officials today is also highly critical of the Western contact group comprising the UK, U.S., France, Canada and West Germany for lack of progress on Namibian independence.

The conference has been called by the non-aligned movement to speed up implementation of Security Council Resolution 435 adopted in 1978 which demands free and fair elections

Richard Johns analyses the fall of Rashid Karami's Government of National Unity

'Pax Syrannica' collapses as fighting flares

WITH the eruption of the most vicious bout of inter-factional fighting in West Beirut since the start of the Lebanese civil war just over 10 years ago, the brittle *pax syrannica* first imposed in the late summer of 1976 and then again after the 1982 Israeli invasion has been well and truly shattered.

It precipitated yesterday the resignation of Mr Rashid Karami, the Prime Minister. He has since agreed to head a caretaker regime, but his earlier decision can only make Lebanon's problems more intractable. Mr Karami was the focal point of a delicately balanced compromise, as the "Government of National Unity," symbolised Damascus's hegemony so painfully constructed nearly a year ago after six months of persuasion, cajoling and brow-beating by Syrian President Hafez al Assad's regime. In addition, the Shi'ites and Druze have also found themselves in confrontation with Palestinian fighters, to whom in the past they have been basically sympathetic, giving an ominous new shake to the anarchic Kaleidoscope of Lebanon.

What came as a staggering surprise was that yesterday's violence should have erupted at this point and in this location. The militias of the Progressive Socialist Party of the Druze chieftain, Mr Walid Jumblatt, and the mainstream Amal movement of the Shi'ite sect, led by Mr Nabih Berri, effectively wrested control of predominantly West Beirut on February 6 1984 when they evicted the Christian Army, mainly Christian-led and oriented. In the following month there was a much less bloody struggle with the Mourabitoun, the small Sunni militia originally inspired by allegiance to the late President Nasser of Egypt, closely linked with the Palestine resistance and increasingly Libyan-backed.

Their stronghold has been the Ein Mreiseh district on what was once the smartest piece of Beirut's sea front. As a result its boss, Mr Ibrahim Kloleilat, left, and has never returned—although he was expected to after an attempted reconciliation in Tripoli recently between him and Mr Jumblatt arranged by Col Muammer Gadaffi, the Libyan leader.

The immediate issue is whether Sunnis and Shi'ites wil be at each other's throats in the south, where the Shi'ites are the overwhelming majority below the Awali River, and in the north around Tripoli, where Sunnis predominate. Around Sidon, the big efforts to prevent inter-communal faction fighting clearly aimed at by the Israelis before and after their withdrawal from the area two months ago, has sadly fallen apart as the result of the initiative by Christian militants following the "revolt" against President Amin Gemayal by the Lebanese Forces controlled by Mr Samir Geagea, an ally of Israel.

Around Tripoli, the home town of Mr Karami, where the extremist Sunni leader Sheikh Sayed Shaban has developed close co-operation with the Shi'ites and the Iranian regime, the repercussions could be more easy to contain.

Mr Karami, a Sunni like all his predecessors, was Syria's most favoured politician in Lebanon. He had looked to be on the verge of resignation for at least a week, having boycotted Cabinet meetings since last Wednesday.

The resignation earlier yesterday of Dr Selim al Hoss, also a Sunni but essentially a hard-headed non-confessional technocrat (the only one in the Government), would in itself have been enough to bring about Mr Karami's—as nearly happened in February. One major puzzle is that the showdown occurred after their return from one of their frequent visits to Damascus. This fact raises the question—a very imponderable one for the time being—of whether the Syrian design for Lebanon has changed.

It is at least possible that Mr Assad's regime has resigned itself to a large measure of autonomy for the Maronite Christian heartland and perhaps a form of federation. This would fit better into the grander, long-term design of a form of union with Syria—rather than a restructuring of the political balance reflecting the existence of the Moslem majority and the Shi'ites as the biggest single community. The Shi'ites comprise about 1m of the 3m total population, according to a recent independent study.

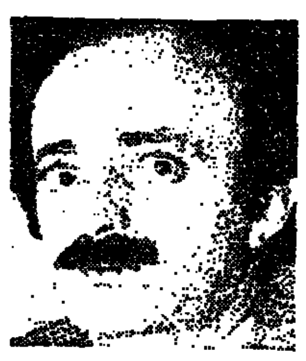
In addition the Alawite-dominated regime in Damascus has no love for the Sunnis, the majority in Syria, nor for the Palestinians loyal to Mr Yassir Arafat.

A new order along the lines of "cantonisation" would involve further shifts of population following the transplants that have occurred over the year, most recently and notably the exodus of up to 150,000 Christians from the Chouf Mountains overlooking Beirut, as a result of the fighting with the Druze in September 1983 which led to an estimated 60,000 dead.

Yesterday, Syria had given no indication as to its next move. In the meantime, the collapse of the Government, impotent though it was has created an awesome vacuum and set both Mr Gemayel, his Christian power base already eroded, and Damascus an enormous short-term challenge.

● President Amin Gemayel finds himself more powerless than ever and dependent on Damascus for a solution to the country's intractable political problems and for enforcement of minimal stability in areas not controlled by Israeli and Syrian troops. His own Christian power base and leadership of the estimated 750,000-strong Maronite community was challenged in last month's revolt by militant leaders of the Lebanese Forces who have been responsible for the outbreak of inter-communal fighting around Sidon. He was a somewhat reluctant successor to his younger forceful brother Bashir.

● A tough leader who, together with Mr Jumblatt, has boycotted many Cabinet sessions this year, Mr Nabih Berri is determined to obtain for the Shi'ite community, probably numbering over 1m, a fairer share of power and put to right their grievances, not least the 250,000 refugees caused by the Israeli invasion of Lebanon. A lawyer, partly U.S. educated, he remains a Lebanese nationalist rather than an Iranian-inspired Shi'ite internationalist. He emerged as leader of Amal in 1978 after the mysterious disappearance of Imama Sadr, its founder, in Libya in the early 1970s



● As the now undisputed leader of the Druze community, estimated at anything from 130,000-200,000, Mr Walid Jumblatt has pursued a tortuous, ambiguous policy in trying to maintain its interest and expand its sphere of influence to the point of maintaining links with Israel as well as Syria. His Progressive Socialist Party's militia numbers about 6,000, each one reckoned to be worth two of any other group's fighters. He is dependent on finance from Libya. Like Gemayel he was a reluctant successor to his father who was murdered in 1977

● As a Sunni Moslem and politician, albeit of a traditional nature, Mr Karami may have felt that he had no choice but to resign out of sympathy for his sectarian community reckoned to number 450,000-500,000. His subsequent decision to head a care-taker administration may have been made under heavy pressure from Syria, which has always favoured him as Lebanon's Prime Minister. A 74-year-old lawyer from Tripoli he had boycotted Cabinet sessions since last Wednesday in protest against the failure of President Gemayel and the army to assert order around Sidon

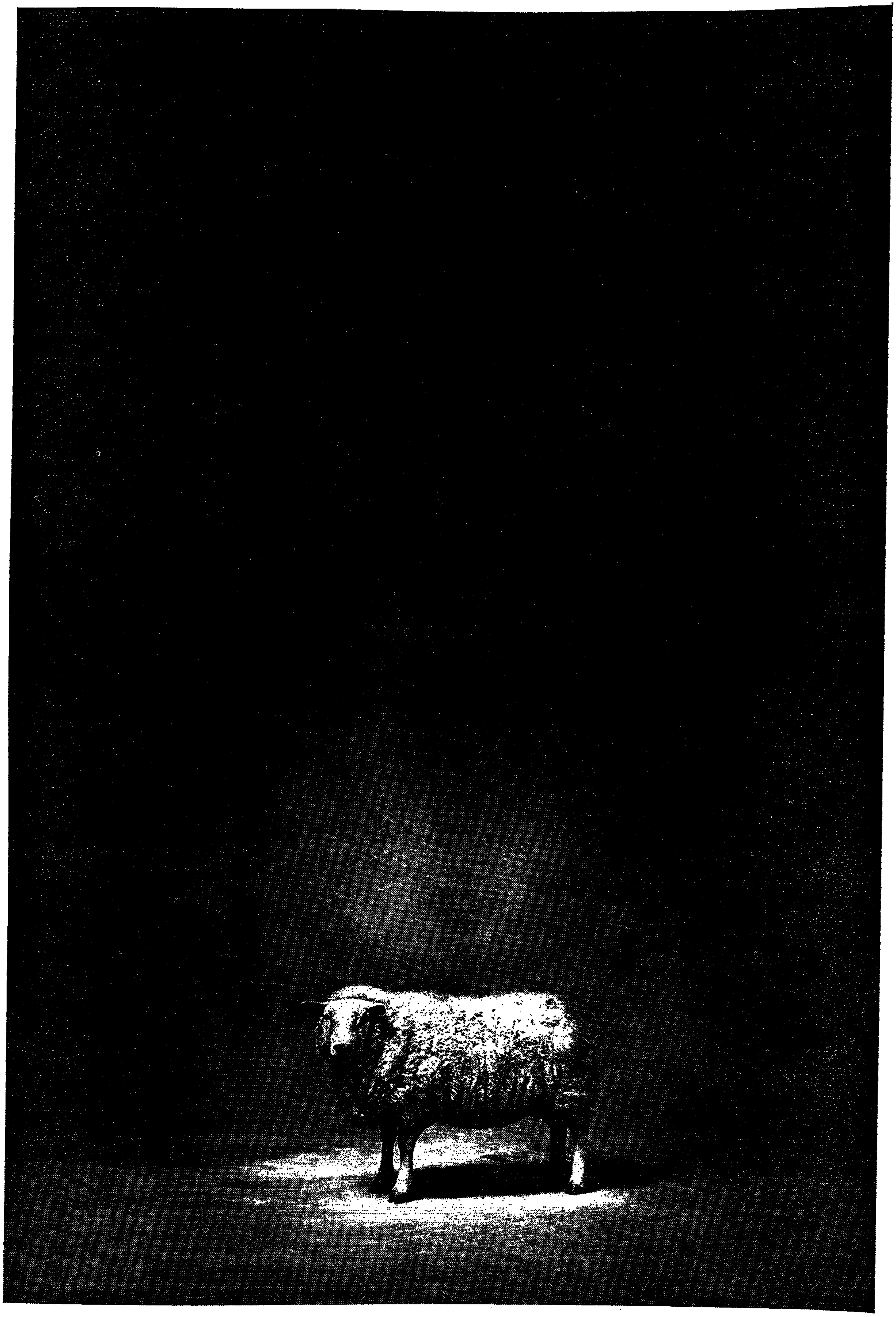
MUBARAK, PERES EXPECTED TO MEET NEXT MONTH

A SUMMIT meeting between Israeli Prime Minister Shimon Peres and Egyptian President Hosni Mubarak is expected to be held next month, officials in Jerusalem said yesterday, David Lennon reports from Tel Aviv.

A high-level working party was being set up to meet with a similar group being established in Egypt to work out the arrangements, they said. An earlier meeting between the foreign ministers of the two countries was not ruled out.

The aim would be to reach preliminary accord on a "package deal" to include Israeli agreement to submit the dispute over the Taba area in Siniai to arbitration in exchange for the return of an Egyptian ambassador to Tel Aviv, and Cairo's willingness to improve trade and cultural links between the two countries.

Underlining the intensive level of contracts between the two countries, officials noted that Mr Peres received on Sunday a "very warm and detailed" letter from President Murbarak. This was just before Mr Ezer Weizman, the Israeli Minister Without Portfolio, flew to Egypt for two days



U.S. force against Sandinistas may be 'eventual option'

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE WHITE HOUSE has secretly told Congress that it wants a substantial increase in the numbers of anti-Government "contra" rebels in Nicaragua so as to apply "major direct pressure" on the Sandinista Government.

A document sent to two Congressional committees also warns that while direct use of U.S. military force against the Sandinistas is for the moment ruled out, it must be recognised as an "eventual option" if other policies fail.

The 22-page top secret document, of which extracts were published in yesterday's New York Times, was sent to Capitol Hill earlier this month to support President Ronald Reagan's request for $14m (£10.7m) in new aid for the contras, on which hard-fought votes are due to be taken in Congress next week.

Mr Reagan was yesterday showing no signs of readiness to compromise on his controversial request, despite a clear warning from Mr Robert Michel, the Republican minority leader in the House of Representatives, that the proposal cannot muster a majority in the House in its present form.

The majority Democrats in the House were yesterday still debating whether to put forward their own alternative plan, so as to show that they are not indifferent to the activities of the Sandinista Government and its acquisition of Soviet bloc weapons.

The White House document said that aid to the contras should be structured "so as to increase the size and effectiveness of the insurgent forces to a point where their pressure convinces the Sandinista leadership that it has no alternative but to pursue a course of moderation."

It suggested that the rebel forces should be built up to a strength of between 20,000 and 25,000 in the north of the country, and 5,000 to 10,000 in the south. Current Administration estimates put the rebels' strength at up to 15,000 in the north and 5,000 in the south, although some other estimates are lower.

While Mr Reagan has consistently denied that the Administration has any plans to invade Nicaragua, as the Sandinistas have alleged, the Administration has never closed the option of ultimately using military force if necessary.

By suggesting that such a course "must realistically be recognised as an eventual option, the White House was clearly trying to persuade Congress that it can avoid the direct use of U.S. military power if it agrees to fund the Contras.

Moscow in pledge on U.S. military in East Germany

BY OUR U.S. EDITOR

THE Soviet Union has told the U.S. that it will not in future permit the "use of force or weapons" against American military liaison personnel in East Germany.

It has not yet, however, agreed to Washington's demand for an apology for the shooting of Major Arthur Nicholson, a U.S. Army major, in West Germany three weeks ago.

The Soviet undertaking was given at a meeting between senior American and Soviet military commanders in Potsdam on Friday, following a formal U.S. protest over the killing of Major Nicholson, the State Department said.

Both sides have agreed to seek ways of avoiding similar incidents in future, and U.S. officials described Friday's meeting as "reasonably productive."

The Soviet representatives said the U.S. demand for an apology and compensation for Major Nicholson's family would have to be referred to "higher authority" in Moscow, the State Department said.

Washington would continue to press the matter in further talks with Soviet officials, the Department said. It did not, however, appear to want to make the issue a major test case for the future of East-West relations.

California smokers sent to Coventry

By Louise Kehoe in San Francisco

LOS ANGELES commuters may suffer teary eyes and smog filled lungs as they drive to work, but once inside their offices they can be assured of some clean air. This week the city put into effect a "no smoking" ordinance prohibiting smokers from puffing in the faces of their workmates.

The law, which went into effect on Saturday, prohibits smoking in lifts, medical facilities, toilets and lunchrooms, and requires businesses with five or more employees to provide "to the maximum extent possible" a smoke-free work area for those who want it.

The law covers fire trucks, police cars and most city government offices with the notable exception of the city council chambers where the ordinance was enacted.

Non-smokers can have a smoker's desk moved and can demand that smokers be banned from their space. They may complain to their boss or to the city attorney. If all else fails, they can go to court.

"Maybe it's good for me," said Ms Jean Morrisey, a smoker who works for the county department of public social services. "It'll force me to cut down."

"I think it stinks," said Ms Wanda Burbin, a smoker and manager of a 50-unit Hollywood apartment building. "I thought our country was supposed to support liberty and justice for all."

"Some non-smokers called to complain about their colleagues. Smokers said they were being forced outside their offices," a city attorney spokesman said. But most of the hundreds of phone calls fielded by the city attorney's office have come from worried employers trying to find out if their new smoking policies comply with the ordinance.

Individual violators are subject to fines between $50 and $100. Employers who do not establish a smoking policy can be punished by a $500 fine, six months in jail, or both.

Los Angeles smoking rules are modelled upon those enacted in San Francisco and San Diego last year.

Cigarette makers are facing court battles over product liability, writes Terry Dodsworth

Cancer victims set to take on tobacco giants

MS DIANA TEMPLE, a tobacco company analyst at Salomon Brothers in New York, calls it "the longer-term imponderable." Anti-smoking activists claim it is an ever-widening chink in the formidable armour of the tobacco industry. The tobacco companies themselves refuse even to admit its existence—but the question hangs over them like a heavy fug of tobacco smoke: can cancer victims sue the industry successfully under the burgeoning U.S. product liability laws?

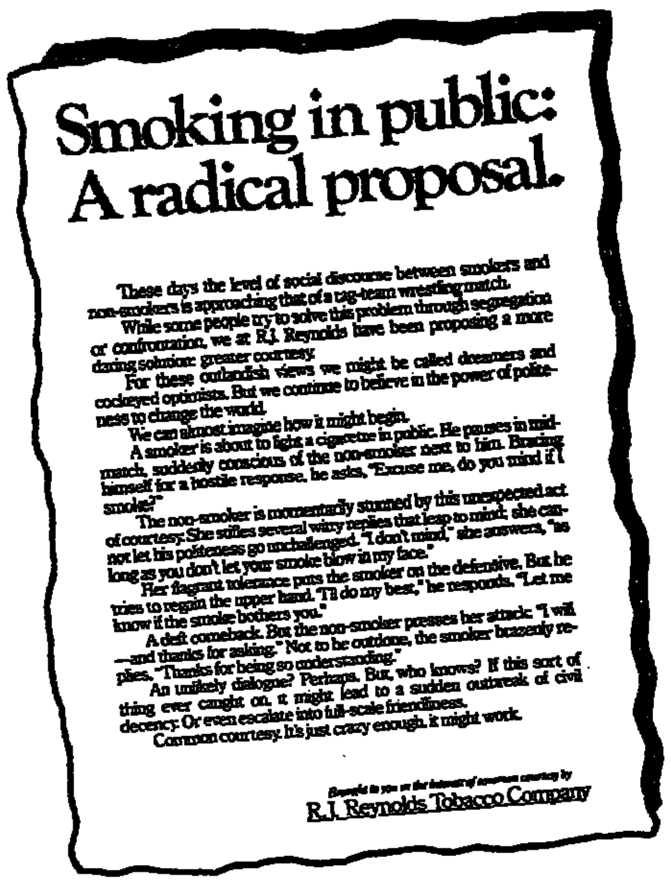
The possibility has inspired a group of awyers, academics and veteran warriors in the war against smoking to come together in what could be the biggest drive against the tobacco companies since the 1960s. About a month ago, the campaigners met in Boston to lay some loose plans for a co-ordinated battle front. Later this year, a series of legal actions are due to be brought before the courts to test the law in several of the more legally progressive states.

In the first drive against smoking, campaigners concentrated mainly on the legislation process. They had a great deal of success with this strategy, forcing some concessions—such as the warning system on cigarette packs—from the tobacco companies, and persuading the authorities to ban smoking in many public places.

The anti-smoking lobby failed miserably in its attempts to attack the tobacco companies through the law. Despite a spate of suits in the late 1960s, no-one was ever able in a U.S. court to establish a link between smoking and cancer, let alone the liability of the cigarette companies for selling the product. Personal injury lawyers, who work on a contingency fee basis under which they collect a proportion of damages, eventually lost their enthusiasm for bringing costs.

According to the campaigners, a number of factors have come together in the past few years to give them a much better chance of success.

In the first place, anti-smoking lawyers now believe there is sufficient medical evidence to convince juries that smoking causes cancer. The new wave of suits is likely to concentrate on the victims of very specific types of cancer, where medical specialists can be found to point an accusatory finger unambiguously against smoking.


Smoking in public: A radical proposal.

These days the level of social discourse between smokers and non-smokers is approaching that of a tag-team wrestling match.

While some people try to solve this problem through segregation or confrontation, we at R.J. Reynolds have been proposing a more daring solution: greater courtesy.

For these outlandish views we might be called dreamers and cockeyed optimists. But we continue to believe in the power of politeness to change the world.

We can almost imagine how it might begin.

A smoker is about to light a cigarette in public. He pauses in mid-match, suddenly conscious of the non-smoker next to him. Bracing himself for a hostile response, he asks, "Excuse me, do you mind if I smoke?"

The non-smoker is momentarily stunned by this unexpected act of courtesy. She stifles several wiry replies that leap to mind; she cannot let his politeness go unchallenged. "I don't mind," she answers, "as long as you don't let your smoke blow in my face."

Her flagrant tolerance puts the smoker on the defensive. But he tries to regain the upper hand. "I'll do my best," he responds. "Let me know if the smoke bothers you."

A deft comeback. But the non-smoker presses her attack. "I will—and thanks for asking." Not to be outdone, the smoker brazenly replies, "Thanks for being so understanding."

An unlikely dialogue? Perhaps. But, who knows? If this sort of thing ever caught on, it might lead to a sudden outbreak of civil decency. Or even escalate into full-scale friendliness.

Common courtesy. It's just crazy enough, it might work.

Brought to you in the interest of common courtesy by

R.J. Reynolds Tobacco Company

R. J. Reynolds fights back—an advertisement in Tuesday's New York Times.

In mid-summer, for example, a case is due to be brought by the Californian law firm of Mr Melvin Belli—the so-called "King of Tort," known more disparagingly by his opponents as "the Ambulance Chaser"—who has had a colourful and enriching career defending the man in the street against big business. His firm has found a cancer victim, Mr John Galbraith, who died from a fatal squamous growth at the junction of the bronchi, said by experts to be one of the easiest to link with smoking.

Second, public opinion is believed to be much more antagonistic to smoking than 20 years ago. Juries should, therefore, be more willing to accept the culpability of the tobacco companies.

This growing aversion to tobacco is shown up in the industry figures. By last year, only 32 per cent of adults in the U.S. admitted to smoking, against 43 per cent 20 years ago. The total number of cigarettes consumed is going down steadily, dropping at a rate of more than 2 per cent a year since 1982.

Finally, the law on product liability has changed radically, pushed forward by the "toxic tort" lawyers into entirely new ground by such actions as the anti-asbestos suits against Manville.

In effect, the courts have expanded the notion of liability to switch the emphasis entirely from the consumer to the producer. Whereas consumers were originally regarder as responsible for using a product correctly, some courts are now saying that manufacturers are responsible even when the customer has been warned about attendant dangers.

The theory underlying this development is that manufacturers should bear the "social" cost of their products, rather than society in general: If they know they face legal suits for the damage caused by their products, they will design and price them accordingly. The anti-tobacco lawyers think there is an overwhelming case for applying this principle against the tobacco companies.

"It costs the American taxpayer $100bn a year to pay the medical costs of smokers," says Mr John Banzhaf, a law professor at George Washington University, and director of the ASH (Action on Smoking and Health) pressure group. "Much of this is paid by non-smokers. We are hoping to force the tobacco companies to shift the monetary burden to smokers."

Neither the tobacco companies, nor the Tobacco Institute, a Washington pressure group funded by the industry to promote "public understanding" of the industry, will comment on the cases they are facing. "We have no response outside of the courtroom," says the institute. But lawyers think the cases will hinge on the following points:

- Will plaintiffs be able to show an unequivocal link between cancer and smoking? The tobacco companies continue to claim the case is not proven, and that they have extensive research to support their case. Mr Paul Monzione, a lawyer at Mr Belli's firm, who is to fight the Galbraith case, says: "I think we can establish the link."
- How will juries respond to the "assumption of risk" concept? Companies have in the past been allowed to plead immunity from product liability on the grounds that customers had been adequately warned about the dangers of a product—and in the case of cigarettes they are told specifically that they are using a product that is "dangerous to health."

Some lawyers believe juries will be quite responsive to the idea that smokers have voluntarily assumed a risk. "The warning aspect and the amount of public information is vastly greater now than in the 1940s," says Professor Arron Twerski, of Hofstra University.

But anti-smoking lawyers argue that the courts have gradually chipped away at the assumption of risk proof to the point where it is beginning to founder.

Indeed, in a New Jersey case last year—Cipollone versus Liggett Group, Philip Morris and Loews—a district court judge found that the warning label carried on cigarettes for the past 20 years was not intended as a "shield from all product liability." This judgment has now gone to appeal (to a notably radical Supreme Court), where it may take several years to decide.

In addition, smoking antagonists claim that under the current interpretation of adequate warnings, cigarette companies can be shown not to have made a reasonable good faith effort to tell people what they are buying. "The warning labels should be informing consumers that they are buying a lethal product," says Mr Richard Daynard, a law professor at Northeastern University.

He points out that the 1984 Surgeon General's official report on smoking attributed 350,000 deaths a year in the U.S. to the effects of smoking including heart disease, chronic obstructive lung disease, and cancer.

- Are cigarettes addictive? One argument the plaintiffs' lawyers will almost certainly use is that cigarettes are so addictive that cancer victims did not voluntarily assume the risk of smoking. The Belli case will centre on some particularly gruesome evidence: even when he was dying, Mr Galbraith used to remove his oxygen mask to take a puff from a cigarette.
- Can companies be held liable for the inherent characteristics of a product? Mr Victor Schwartz, a former professor of law who worked on product liability for both the Carter and Ford Administrations, and is now in private practice, says courts have generally been unwilling to treat companies as liable for something that is an intrinsic part of the product.

In this morass of legal arguments, the only certainty is that the battle will not be easily won or lost. The tactics of the new campaign will be to make it as difficult as possible for the tobacco manufacturers to bring their financial weight to bear on any single suit. Lawyers are aiming to mount so many cases that the industry will not be able to concentrate either its fire power or its funds.

Yet despite the decline of the smoking habit, the industry's resources remain forbiddingly large. The combined sales of the big three companies—Reynolds, Philip Morris and American Brands—amounted last year to $34bn, and the industry is still one of the most consistently profitable in the U.S., earning around 17 per cent a year on its equity.

Wall Street, at least, is certainly losing no sleep about the impending legal actions. "Given the lengthiness of the U.S. legal process, it appears likely that blockbuster litigation will be a psychological rather than real concern over the coming year," wrote Ms Temple recently.

Neves' surgeon threatened

By Ann Charters in Sao Paulo

THE CHIEF surgeon treating Brazil's President-elect Sr Tancredo Neves has received threats to his life, according to a police spokesman. Dr Henrique Walter Pinotti now goes to and from the Heart Institute in Sao Paulo in an official government car accompanied by two bodyguards.

Credentials for press and support staff were changed on Wednesday to increase security and limit access to the area around the hospital in downtown Sao Paulo. Small crowds of onlookers continued to form across the street from the hospital.

Dr Pinotto was due to present a detailed report last night on Sr Neves's condition and the extensive medical procedures undertaken so far to keep him alive. Recently the country has had to be content learning of the President's condition through daily medical briefings read by a presidential spokesman.

Sr Neves's condition remained extremely serious yesterday.

U.S. consumer spending falls

BY STEWART FLEMING IN WASHINGTON

CONSUMER spending in the U.S. in March fell 8.5 per cent the Commerce Department reported yesterday. Reinforcing fears of emerging weakness in the sector.

However, economists point out that the decline in March followed a sharp 8.9 per cent increase in February and that it is premature to conclude that a slump in the consumer sector has begun.

The Commerce Department also said that personal disposable income in March—that is income after taxes—also fell 0.5 per cent. Delays in normal refunds of federal tax payments account for the decline. Personal income before taxes rose a moderate 8.5 per cent.

The figures reinforce the views of those who say that a slowdown in the rate of growth of personal income in recent months is pointing towards slower economic growth this year. The real annual rate of growth in 1984 was 6.9 per cent.

Today the Commerce Department is due to release its preliminary estimate of first quarter real growth. The department last month predicted an increase of 2.1 per cent for the first quarter, significantly below the 4-6 per cent some private economists had been forecasting.

Separtely the Federal Reserve Board yesterday reported that capacity utilisation in U.S. industry was unchanged at 80.8 per cent in March, reflecting the continued stagnation of industrial output.

Spillage closes Ontario highway

BY BERNARD SIMON IN TORONTO

A 55-mile stretch of the Trans-Canada Highway in north west Ontario has been closed to traffic to prevent contamination from an accidental spillage of the highly toxic chemical polychlorinated biphenlys (PCB).

Repair crews are sealing parts of the road with asphalt, and authorities say that the entire affected section may have to be resurfaced, depending on the outcome of further tests.

The accident took place last Saturday on a section of the highway near the town of Kenora. The road may be reopened today.

PCB is used as an insulation agent in electrical transformers, and has been linked to severe acne and liver damage in humans and cancer in laboratory animals.

The spillage was caused by a leaking transformer being carried on a truck to a storage site in Alberta, the only location in Canada.

By yesterday, clean-up crews had scrapped up over 40 drums of PCB-laced sand and asphalt at a truck stopping point in Kenora, where the leak was disovered.

The provincial government of Alberta plans to forbid the import of PCB and other hazardous wastes in an incinerator, but no facilities have been available in Canada for the last few years.

About 2m kg of PCB are stored in warehouses on the outskirts of Edmonton.

IMF predicts 3% world growth

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

AN optimistic outlook for the world economy with steady growth of about 3 per cent for the rest of the decade is presented by the International Monetry Fund in its latest World Economic Outlook published in Washington yesterday.

The fund says the position of debtor countries has improved more steadily than expected, that inflationary pressures seem to have subsided and that there is a prospect for some decline in interest rates.

However it warns sternly that the U.S. must get its internal and external deficits under control if the outlook is to remain optimistic.

The U.S. trade deficit has reached an unsustainable level, it says and some decline of the dollar will be necessary to bring the U.S. foreign accounts into better balance. The outlook for the rest of the world depends to a large extent on the U.S.'s success it says. European countries and Japan should not attempt to follow the Reaganomic prescription of fiscal expansion.

In its short-term forecast the Fund projects growth of 3.4 per cent in world output both this year and next with the industrial countries growing at a rate of about 3 per cent a year.

U.S. growth is expected to decline quite sharply from last year's 6.8 per cent to about 3.4 per cent this year, decelerating slightly in 1986.

The Fund assumes that the U.S. Administration will achieve only part of its planned reduction in the federal budget deficit over the next three years.

It expects growth in Japan to decelerate to about 4½ per cent this year and next while the developing countries are forecast to achieve accelerating growth of 4 per cent this year and 4.5 per cent in 1986.

This improved output in the developing world will enable debtor countries to achieve a marked reduction in the ratio of debt service payments to exports.

For all the indebted developing countries taken together, the ratio of external debt to exports is expected to decline from 158 per cent in 1983 to 108 per cent in 1990.

The IMF says: "The decline is even more dramatic for those countries whose debt ratios had risen most before and during the debt crisis."

For the seven largest borrowers, for example, the debt ratio will fall from 255 per cent in 1983 to only 150 per cent in 1990.

On the other hand those countries—which have been mainly dependent on finance from official sources (Western governments), debt ratios are expected to increase somewhat to reach 260 per cent by 1990. This reflects the fact that official finance has not dried up to the same extent as lending from commercial banks.

In spite of this general improvement in the position of debtor countries, the IMF warns that there must be no relaxation in the adjustment efforts of the Third World. It points out that on a longer term historic view debt ratios are still uncomfortably large.

Moreover, the improvement it is forecasting depends to some extent on the assumption of a fall in the dollar which, it points out, is rather uncertain.

The Fund makes—an ironic contrast between the improvement of the Third World debt position and the rapidly increasing debts of the world's most powerful economy, the U.S.

It says that if the real exchange rate of the U.S. dollar (taking account of the relative inflation rates of the U.S. and the rest of the world), remained at the level of November 1984, the U.S. deficit on its current account of the balance of payments, would rise to about 4½ per cent of its total national output by 1990.

If this happened, the Fund staff say, "the implications that a deficit of this size would have for interest payments abroad, would make increases in the deficit self-perpetuating."

"While this situation is, in the staff's judgment, unsustainable, it is much more difficult to say when, how, and by how much present trends will change."

As a working assumption the Fund suggests that the U.S. will remain in substantial deficit (of about 3 per cent of GNP) by 1990 and it says: "Continued improvement in the U.S. current account position after 1990 would thus be required."

WORLD TRADE NEWS

India to invite new tenders for cross-country pipeline

BY JOHN ELLIOTT IN NEW DELHI

THE Indian Government has decided to invite fresh tenders for its proposed 1,718 km cross-country natural gas pipeline combining in one contract all the work apart from the supply of pipe.

This decision ends months of debate over whether the $1.2bn (£1.09bn) work should be awarded on a piecemeal or turnkey basis with a compromise of separate contracts for supplying the pipe and what the Government is calling a composite contract with single-point responsibility for laying and completing the project.

The start of the project will be delayed by four to five months, but the Government hopes this will be made up by more efficient project management than would have been available if a large number of contracts had been placed.

The pipeline will carry natural gas from the west coast of India near Bombay, north-east across the country to a point near the Nepal border, serving six new fertiliser plants.

Bids already received from countries for supplying the pipe which ranges from 36 in diameter to 18 in will now be evaluated, and contracts will be awarded during the summer.

Front runners include NKK and other Japanese steelworks co-ordinated by the Sumitomo trading house, Intergas of Brazil, Mannesman and Bergrohr of West Germany, and other European companies including British Steel.

The decision not to award piecemeal contracts is a victory for Snamprogetti of Italy which on its own initiative submitted a turnkey tender of $736m with C. Itoh of Japan. Last month, it reduced this by $100m.

A Franco-Japanese consortium, Spie-Capag Toyo and a Canadian consortium of Majestic Contractors and the Alberta-based Nova have also shown interest in a turnkey aproach and are now likely to join the bidding with other groups.

The contract documents will state that the size and terms of soft credits and the use of Indian companies and products will affect who wins the order.

Tenders will probably be invited within a few weeks.

Britain is criticised over export support

By Christian Tyler, Trade Editor

THE BRITISH Government was criticised by industrialists and bankers yesterday for an "ambivalent" attitude towards providing financial support for big exporters.

Outside advisers to the Department of Trade and Industry pointed to what they said was a conflict between the DTI and the Treasury which was giving the impression abroad that Britain was not wholly committed to promoting sales of capital goods.

The fourth annual report of the Overseas Project Board said that capital project business in the world had halved, since the 1970s, competition was intense and increasingly took the form of credit competition between nations, rather than companies.

Mr Roy Withers, chairman of the Board and deputy chairman of plant contractors Davy Corporation, said he would like to see the aid-and-trade provision, budgeted at £66m, at least doubled.

The report showed that the UK has the lowest ratio of bilateral-to-multilateral aid and by far the smallest total aid budget of the top five richest nations.

Support from the Aid and Trade Provision (ATP) was in some markets, particularly South-East Asia, the only way British companies could now win orders.

Other members complained of "delays" in the vetting of applications by exporters for ATP money and said Japan and France both used their tied aid programmes in a more commercial and efficient way. They said the UK should adopt the same policy.

But none was able, or willing, to provide detailed examples of orders lost for lack of public money to soften the credit terms to the buyer.

The report harks back to the furore which followed publication of a report by government economists—the Byatt Report—which challenged the economics of such subsidies for British exports.

It said Britain was a net loser if export sales were won with the help of the aid programme or subsidised trade loan interest rates.

CALL TO FIGHT OFF JAPANESE CHALLENGE

Thomson chief backs protectionism

BY PAUL BETTS IN PARIS

M ALAIN Gomez, the chairman of Thomson, the nationalised French consumer electronics and defence group, called yesterday for protectionist measures to safeguard the European video and electronic "brown goods" market from the increasing threat of Japanese competition.

M. Gomez also suggested yesterday that Thomson was now preparing to retreat from the hi-fi market which had led to losses of about FFr 250m (22m) last year for the French group.

"If Europe does not decide quickly to protect itself it will find it increasingly difficult to fight off the Japanese challenge," M. Gomez said, warning that the European Electronics "brown goods market" risked ending up being taken over "like the U.S. market," by the Japanese.

M. Gomez, like other European consumer electronics industrialists, is pressing the European Economic Community to increase duties on Japanese video cassette recorders to protect European manufacturers.

Thomson, with production of 750,000 video-cassette recorders last year, is Europe's largest manufacturer.

M Gomez said Japan already controlled 80 per cent of the European hi-fi market and 80 per cent of the European video-cassette recorder market. In the U.S., Japan has a 95 per cent share of the hi-fi market and virtually 100 per cent of the VCR market.

"If the situation remains unchanged, it will be suicidal for Europe," M Gomez said. He added that the U.S. could afford to abandon their "brown goods" market to the Japanese because they remained world leaders in defence electronics and computer technology.

"This is not the European situation," he argued, suggesting that should the European consumer electronics industry collapse to the Japanese, it will in turn lead to the collapse of the European electronic components industry.

If that happened, M Gomez suggested it would be difficult for Europe to remain an advanced industrialised society.

Duties on colour television sets had so far managed to protect the colour TV market in Europe where the Japanese now have a 15 per cent share.

M Gomez argued that the pressures of Japanese competition would inevitably remain intense as long as Japan had a 25 per cent cost advantage on European manufacturers.

Thomson is now envisaging reducing significantly production of its hi-fi equipment at its facility at Moulin in central France. M Gomez suggested Thomson might eventually abandon altogether the hi-fi market which is now in a profound slump.

Thomson's eventual retreat from this market would represent a major reversal in French electronics policy. Indeed, the French group was pressed by the Government a few years ago to set up a French hi-fi industry.

The group, which has been buoyed by major defence contracts from Saudi Arabia, is now competing for a $4.5bn (£4.1bn) U.S. army contract to provide a new battlefield communications system.

Thomson has linked up with GTE of the U.S. to compete against a rival bid from Plessey of the UK linked with Rockwell of the U.S.

Thomson results, Page 28

BCal arranges £82m aircraft finance package

By Michael Donne, Aerospace Correspondent

BRITISH Caledonian Airways, the independent airline, has arranged an £82m package to finance the acquisition by the airline of two wide-bodied jets—a Boeing 747 and a McDonnell-Douglas DC-10—for its expansion of services this spring and summer.

The aircraft are being primarily financed through UK tax lease arrangements with subsidiaries of the Trustee Savings Bank Group (TSB) and he Forward Trust Group (FTG).

Under the terms of the deal, both TSB and FTG will lease the aircraft to Marubeni Corporation (guaranteed by the Bank of Tokyo and Fuji Bank) and Mitsui Company of Japan. They, in turn, will sub-lease the two aircraft to British Caledonian.

The Boeing 747 has been acquired second-hand from Alia, the Jordanian airline, while the DC-10 has been acquired from Ariana, the Afghanistan airline.

The overall financing package has been arranged by the Caledonian Aviation Group's Finance Division, with the U.S. investment bank, Goldman Sachs, acting as advisers.

The latest additions to the B-Cal fleet will bring its total fleet this summer to two 747s, nine DC-10s, two A-310 Airbuses and 13 One-Elevens.

Plan for Swiss to buy Land Rovers delayed

BY WILLIAM DULLFORCE IN ZURICH

A DEAL under which Britain's Land Rover would sell 4,000 of its four-wheel drive vehicles to the Swiss army has been delayed by the decision of a Swiss parliamentary commission to call for a new evaluation of the vehicles' emission levels.

The decision has revived the hopes of Land Rover's rival, Austria's Steyr-Daimler-Puch company whose Puch GE vehicle, sold as the Mercedes-Benz G-Wagen, appeared to have lost the race.

The commission's action is also seen as a response by Swiss politicians to the selection by the Royal Air Force of the Short Brothers Embraer trainer instead of the aircraft offered by the Swiss Pilatus Company.

The contract with Land Rover has been under negotiation since 1976. The commission decision means the Swiss army is unlikely to obtain replacements for its ageing U.S.-built Jeeps before 1988.

Kenneth Gooding adds: Land Rover said yesterday it would have no difficulty in meeting the emission requirements and "we are confident any further evaluation would tend to favour our product.

"The issue of aircraft purchase at no stage formed any part of our negotiations with the Swiss authorities." However, there were some counter-purchasing proposals agreed: Land Rover was to buy such items as aluminium sheet, tyres and batteries from Switzerland.

Philips-China audio move

EINDHOVEN—NV Philips of the Netherlands, the Peking Radio and Television Industrial Corporation, and the China Electronics Import and Export Corporation are setting up a joint venture to build a new audio equipment factory in Peking, Reuter reports.

The factory, in which Philips and the Chinese will each have a 50 per cent interest, will have an annual capacity of more than 1m audio products, such as sound machines and portable compact disc combinations.

Construction will start shortly and the plant is expected to be operational within a year.

The factory will have a business volume equivalent to about Fl 200m (£45m) in the second year of operation.

Philips said it will be built by the Chinese partners to Philips's specifications and based on its factories in Vienna and Singapore.

Tokyo, U.S. 'flirting with danger over trade'

BY JUREK MARTIN IN TOKYO

JAPAN and the U.S. "are really flirting with danger" over the bilateral trade imbalance, according to Mr Lee Iacocca, chairman of Chrysler.

At a free-wheeling speech and Press conference here, Mr Iacocca said he had never seen "such a hostile Congress" and that protectionist sentiment, especially in the Senate, could "get out of hand."

However, he added it was "presumptious" of the U.S. to tell Japan "how to fix the problem," half of which lay with the value of the U.S. dollar.

But Japan needed to show both its "intentions" and "some proof at some point" that its inexorably rising surpluses were being reduced.

Mr Iacocca, who came to Japan to sign a joint venture agreement with Mitsubishi Motors for the production of cars in the U.S. Mid-West, is becoming something of a minor cult figure here, though not yet on the U.S. scale.

A translation of his autobiography, for months on top of the U.S. best-seller lists, has sold more than 300,000 copies since it appeared in Japanese shops—a remarkable performance for a foreign book.

He has thus been accorded something close to the access normally reserved for visiting statesmen, including sessions with both the Foreign and Trade and Industry Ministers.

His public message was that "we can't continue this way," in trade matters, though he was careful to spread responsibility equally between the U.S. and Japan. He warned that the consequences of protectionist action by the U.S. "are not healthy."

On the joint venture with Mitsubishi Motors, Mr Iacocca confirmed that negotiations with U.S. unions would be Mitsubishi's responsibility and that five Mid-Western states were being considered as a site. A prime criterion was "a good labour environment, whatever that means."

He claimed that the new car, to be available by 1988, would be $500 (£454) cheaper than current prices.

Tax differentials and the foreign exchange factor made it impossible to realise the $2,000 saving which Japanese manufacturers are reckoned to enjoy on a typical car they sell in the U.S.

Mr Lee Iacocca

Tebbit urges more investment in W. Europe

BY OUR FOREIGN STAFF

BRITAIN'S Trade and Industry Minister, Mr Norman Tebbit, yesterday called for more investment in West Europe of funds held by the Japanese Post Office, life insurance and pension schemes, Japanese officials said in Tokyo. Mr Tebbit, now on a five-day visit to Japan, made the request when he met Japan's Posts and Telecommunications Minister, Mr Megumu Sato.

The officials quoted Mr Sato as saying Japan put 20 per cent of Post Office funds into foreign bonds last year and his ministry was considering more such investment.

The ministry announced yesterday that outstanding net investment in foreign bonds by the funds doubled to Y634.8bn (£2.2bn) at the end of fiscal 1984

Welcoming Japan's recent market-opening moves in telecommunications, Mr Tebbit told Mr Sato that Britain's Cable and Wireless Company hoped to enter the Japanese market. Mr Sato told Mr Tebbit he was planning to visit Britain in early July

● British and Japanese officials will hold a third round of telecommunications market access talks in July.

The consultative talks began in 1982 on an annual basis, but were suspended in 1984 because of Japan's preparations for privatisation of the state-owned Nippon Telegraph and Telephone Corporation.

The new round of talks was confirmed in yesterday's meeting between Mr Tebbit and Mr Sato.

TECHNOLOGY

EDITED BY ALAN CANE

Alan Cane on the building blocks of 21st century industry

The most material factor in Japan

WHILE THE UK Government ponders its role in helping industry develop the wonder materials of tomorrow, Japan has already decided to go for the gold.

Already second only to the U.S. as a producer of the new, high technology materials which make possible everything from plastic cars to warm lavatory seats, Japan is mounting a broad-based effort to compete on the four most important fronts—fine ceramics, carbon fibres, engineering plastics and amorphous metals.

More than half of all Japanese Government spending on high technology research and development goes on advanced materials, according to a new *International Business Information* report. It spent Y3.2bn ($12.75m) in 1984 and plans to spend Y3.6bn this year.

The average annual growth rate of the budget for research and development into new materials in Japan between 1981 and 1985 was 28 per cent, compared with only 19 per cent for biotechnology, another area where Japan is accelerating its efforts.

Yet the Japanese are concerned that the U.S. is outspending them by about three times, chiefly it seems, because of the lack of major military development programmes in Japan.

The Ministry of International Trade and Industry, the coordinatin gforce behind the new materials effort, is therefore spending big money to support research initiatives. Aluminium *alloys impregnated with ceramic* particles to give unparalleled strength and lightness is one example; the development of machines that emit streams of electrons with such force and precision that they can be used to machine fine ceramics, is another.

And it is looking to new legislation to expand government support. Its ideas include favourable tax and finance measures to promote the use of new materials, better subsidies for research and development and more money for gathering technical information to help public and private research.

The Japanese are well aware that the U.S. Government is spending more than £750m on new materials and that it is the technology leader in many of the more important areas—egnineering plastics, for example, plastics that can withstand continuous temperatures of more than 100C during their working life and that can be used as substitutes for steel, glass aluminium and so on.

The report notes: "Most engineering plastics currently produced in Japan were developed first by U.S. or West European companies and then licensed to Japanese producers."

It suggests that firms specialising in engineering plastics—Toray, Asahi Chemical and Mitsubishi Chemical, are good examples—will continue *to* record relatively high growth in sales because they have established their position in several of the major engineering plastics markets and have developed speciality production techniques.

Phillips Petroleum of the U.S., for example, developed polyphenylenesulfide (PPS), an engineering plastic with *superior heat resistance which* finds application in electronic components and motor-car parts, in the early 1970s.

Two years ago, Phillips and Toray established a joint venture for the production of PPS base resin. Toray has now developed and patented advanced technology for the production of PPS in the form of film suitable for heat insulation tape and flexible printed circuit boards.

*And last year, Kureha Chemi*cal announced a patent application for a way of making PPS thate gives a purer, lighter coloured product than the Phillips process. The company is constructing a pilot plant to supply manufacturers of mag*netic tape, integrated circuit* packages and other electronic components.

There are areas, however, where Japan is already the world leader. Through its innovative company Kyocera it is the leading producer of the ceramic cases used in package silicon chips and other microelectronic components to keep them safe from the outside world.

Its other lines incolude handheld computers (the Olivetti M10 is a Kyocera machine), Yashica brand cameras and *artificial bones and joints.*

While the U.S. has been maintaining its lead and Japan planning to build on its strengths and eliminate its weaknesses, the UK Government is still considering its response to the Collyear Report, published earlier this year, which asked for a minimum of £50m to be invested by the Government in a £120m research and development programme to last, in the first instance, five years.

The Government asked for comments on the report from industry, the response is said to be "healthy" but no date has been set for a formal reply by Mr Geoffrey Pattie, the Industry Minister.

Japan's New Matrials Industries, International Business Information Incorporated, 1985, £950 for Marketing Stratagem for Industry, 01-640 6621.

NEW VERSUS OLD: THE PRODUCTION STATISTICS

	1983 Actual Ybn	1990 Forecast Ybn	Actual growth 1983-90 %
New materials			
Fine ceramics	396	1,500	19.0
High polymers	430	1,000	13.0
(Engineering plastics)	(259)	(650)	(14.0)
New metals	170	550	18.0
(Amorphous metals)*	(3)	(35)	(42)
Composite materials	25	150	29.0
(Carbon fibres)	(15)	(38)	(14.0)
Total (A)	1,021	3,200	18.0
Conventional materials			
Steel	16,073	19,000	2.0
Non-ferrous metals	6,935	8,500	3.0
Ceramics	8,627	10,500	3.0
Chemicals	19,227	24,000	3.0
Textiles	8,062	9,500	2.0
Pulp and paper	7,061	8,200	2.0
Total (B)	65,985	79,700	3.0
A/B (%)	1.5%	4.0%	

* Based on total price of components.
Source: IBI; MITI for 1983 conventional material figures.

The art of mapmaking becomes a science

A MAP of a town that gives *details not only of the layout of* houses but who lives in them and the position of the water pipes underneath would stretch to its limits conventional mapmaking technology.

So a company in Cambridge turned to the computer *in* an effort to create maps that can contain a wealth of written information as well as diagramatic detail.

Applied Research of Cambridge came up with a system that it hopes to sell *to* bodies *such as local authorities which* want a modern way of gaining access to the huge amount of building-related data that they may already store in different archives.

The company's first sale was a £500,000 system, based on seven Tektronix terminals and a Prime computer, installed at the Wallingform offices of South Oxfordshire District Council. With a keyboard, people in the council's planning department can call up from a memory a map of a specific part of the district.

Together with this, they can obtain written information about, for instance, drainage pipes or applications for new buildings that might affect specific houses in the area.

Applied Research, which has annual sales of about £6m and is in the process of being acquired by McDonnell Douglas, the U.S. aerospace giant, has sold similar systems to the Government's Ordnance Surcey in Southampton and to the Swindon-based Water Research Centre, a body owned by Britain's water industry.

SOFTWARE

How to save energy in office or factory

BY PETER MARSH

ARCHITECTS AND the managers of buildings could benefit from closer control of energy costs using computer models, according to Amazon Energy of Milton Keynes.

Amazon represents one of the first fruits of a venture by the *Legal* and General insurance company to commercialise technologies developed by groups such as university research teams or members of the Association of Independent Contract Research Organisations.

The Milton Keynes company is owned by Cogent, a holding company for technology-based concerns set up by Legal and General with funds of £12m. Cogent aims to apply marketing strategies to inventions to turn them into commercial propositions.

Besides computer software, *Cogent is backing, using this* mechanism, work in other areas such as sensor technology for medical products, water-treatment techniques for the Third World and new types of instruments. Cogent started up in 1982 and hopes to record annual sales of about £3m by the end of this year.

Amazon Energy started from ideas by Mr Harry Mellor and Dr Alan Jones, who both worked at the school of mechanical engineering at Cranfield Institute of Technology.

The duo developed during the 1970s a set of computer programs that simulate the energy performance of a building. A researcher enters into a computer details about the characteristics of the building—levels of insulation, number of windows and so on—together with an hour-by-hour "diary" of everything that happens within the structure.

The computer digests the information and turns it into a recipe for how the building should be managed to minimise energy costs. For example, the machine would give hints as to the most efficient type of heating and when it should be used.

Mr Mellor and Dr Jones set up their own company to commercialise their ideas. Last year, it was brought inside the Cogent structure as Amazon Energy.

The nine-strong company is hoping for annual sales this year of £500,000. It sells computer systems that require powerful machines, for example, from companies such as Apollo. A typical system costs about £35,000, of which software accounts for £15,000.

So far Amazon has sold its computer software to a dozen customers, mainly local authorities and other organisations such as the BBC and the Open University.

Amazon has also helped in consultancy projects, for example, to analyse the energy requirements of a design for a new police headquarters for Avon County Council.

Other developments by Cogent are mostly still in the embryo stage. They include:

● Work in water-treatment, for example cleaning up waste water to give a product fit for drinking.

● Development of novel types of sensor.

● Investigation of the potential of neutron beams as a way of probing the structure of materials.

Plastic surgery comes to aid of 3D TV animations

RESEARCH INTO techniques to aid plastic surgery is producing a new form of pictures for TV watchers.

Chris Briscoe and Paul Brown, two researchers at London's Slade School of Fine Art, left the institution to found Digital Pictures, a company working on novel techniques in computer animation to provide pictures for TV and advertising films.

The software used by the company is based on programs developed by Biscoe at the school, part of London's University College, as aids in the reconstruction of facial tissue in surgery.

In this work, physicians need a way of modelling a three-dimensional image of the type of features they are trying to create. Software of the kind used in manufacturing industry in computer-aided design can help by building up on a screen different elements, such as ears, nose and eyes, to provide a complete picture of a person's face.

By passing different instructions through a computer, a doctor may be able to change the look of various aspects of the face. This is in much the same way that, in Identikit procedures, a police officer would build up a picture of a person suspected of a crime by moving around on paper different sets of facial features.

Digital Pictures is one of about a dozen companies around the world working on new computer techniques to use in animated films. Other companies include Digital Production in the U.S. and the UK organisation Electronic Art.

Digital Pictures, formed two years ago, has sold film sequences to TV companies such as Grampian and Granada, as well as to the advertising industry. A sequence of 10-15 seconds costs £10,000-£25,000 and can take a month of production time.

To make the sequence, designers at the company manipulate data using three powerful Data General computers. Processed with software based on the work at the Slade School, the data produces a set of images that are captured by a film camera.

P.M.

Office systems

Northern Telecom leaps ahead

NORTHERN TELECOM Data Systems has made a new thrust into the office automa...tion market with its Vienna professional computer which, it claims, offers standards previously associated with minicomputers.

Suitable for individual and corporate users, Vienna-PC uses two Intel 186 processors, one for graphics and the other operating as the central processor.

The PC operates as one of the terminals in NT's new Vienna-Office, which includes systems for word processing, text retrieval, database management, spreadsheets, electronic mail and telex.

Vienna-Office is a software suite which is available on a complete Vienna family of shared - resource computers, terminal computers and the new PC. It can operate simultaneously in five European languages on a single system.

Vienna-Office, with 13 applications on a multi-user system, is priced at about £1,000 a workstation. More on 05827 63161.

Software

BASIC for the Macintosh

MICROSOFT, the company which put the BASIC language on the first personal comupters has developed a version for the most advanced in the field.

It has announced a version for the Apple MacIntosh, Apple's leading edge machine with screen pictures.

The New BASIC also provides "muose" commands—for the desk-top gadget that controls the on the screen — and "pull-down" menus, lists of possible options which can be called to the screen.

The new Microsoft BASIC, version 2.0 for the MacIntosh costs £145.

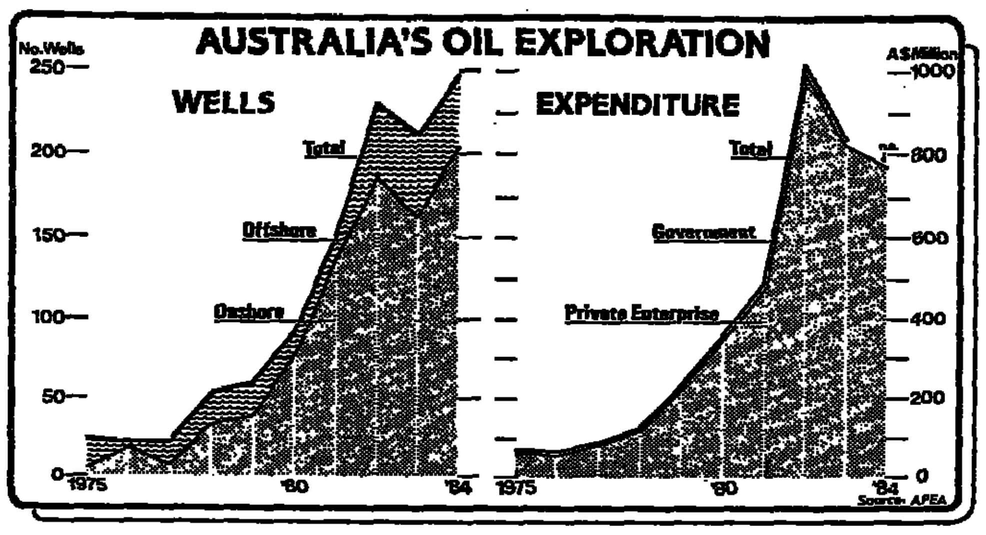
Semiconductors

Control chip

INTERNATIONAL RECTIFIER has produced the first of a new family of power hybrid devices combining HEXFET power-transistor technology with thick film substrate mounting in a single in-line plastic package.

The devices will be used to control disk drives, streaming tape drives and 6-step motor drives.

RESOURCES REVIEW



Hawke's tax net troubles Australian oil industry

By Michael Thompson-Noel in Sydney

AS THE good burghers of Perth discovered recently, hosting the annual conference of the Australian Petroleum Exploration Association (Apea) can be almost as lucrative as striking oil.

There was much banqueting and junketing, plus one or two good jokes, such as the remark by Sir James Balderstone, chairman of Broken Hill Proprietary (BHP), that he'd had rack of lamb for lunch, and again at the cabaret, so that if New Zealand had a trade problem, he reckoned he'd *eaten* it.

The theme of the conference was nominally "25 years — a national achievement," in celebration of the Australian oil industry's growth since 1959, when Australia was almost 100 per cent dependent on imported oil, to the present, when oil imports have been reduced to about 10 per cent of total needs.

There was also a fair degree of whingeing — primarily over the Hawke Labor Government's tax plans for the oil industry, which maintains that Australia's quest for virtual self-sufficiency in petroleum products into the 1990s could easily be hampered unless the Government's greed for revenues is tempered.

By 1988, when Australia celebrates its bicentenary, it will already be practically self-sufficient in oil — yet another illustration of how Mother Luck has cossetted Australia, which in 1982 was the third most prominent of the five *OECD* countries that are *net* exporters of energy. (Australia has about 6 per cent of the world's coal, about 0.4 per cent of its liquid petroleum resources, and more than a quarter of its low-cost uranium — plus vast reserves of gas).

Australia has 48 sedimentary basins: 27 onshore, 21 wholly or partly offshore. Its potential maritime claim covers an area of ocean almost as huge as its land mass. Yet because of its size, Australia is almost unexplored, at least by U.S. standards. Western Australia, for example, has seen only one exploration well for every 2,600 kilometres, whereas in the U.S., they are still dredging up oil in areas that have seen one well per eight or 10 sq km.

Studies indicate that Australian explorers have a 50:50 chance of finding between 3bn and 4bn barrels of oil, in addition to that already found. But only about 2bn barrels are *likely to be found* in areas reasonably conducive to conventional development — and in mainly small-to-medium fields, at that.

If it is to counter falls in *production from existing fields,* Australia will have to maintain offshore activity at or about the 1982 level, as well as sustaining onshore exploration at its present rate. However, offshore activity is at present declining slowly.

Factors cited by the industry include the lack of a major discovery in the past six years, softer oil prices, the awarding of few new exploration permits in the past two years — and adverse tax changes.

Offshore drilling last year fell by 12 per cent. More importantly, wildcat activity in high-risk / high-cost / non-producing areas remains low. This year, 37 offshore exploration wells are expected, costing A$412m (£221m), against 201 onshore wells for which A$377m has been budgeted.

Apea says there is about a 2 per cent chance of finding pools in excess of 40m barrels, most of which are expected to be found in high-risk areas.

"These pools," it says, "are critically important to supporting Australia's future oil supply."

In contrast, it says, exploration is at present heavily biased towards areas which are only likely to contribute 20 per cent of production. "This bias needs to be reversed . . . the dilemma for the Government is that the larger fields are the prime target for higher taxes."

It is on this note — concern over the future tax treatment of the oil industry by the Hawke Government, as well as by individual states — that Australia's oilmen are currently badgering for action and reassurance.

Other concerns include the possible setting up of a national hydrocarbon corporation, excessive regulation, moves to strengthen Aboriginal land rights legislation and to expand national parks, high real interest rates and low prices and restricted outlets for natural gas; but tax is the main bugbear.

Mr John Fitzgerald, managing director of Vamgas (a subsidiary of Woodside Petroleum), and chairman of Apea, says he welcomes the Government's promise of major changes in Australia's tax structure — there is to be a "tax summit" in Canberra in July — but that the industry has urged the Government to undertake no major tax initiatives until their likely impact has been fully assessed.

He says that the Government's decision last year to introduce an excise on "new" oil discoveries in existing production areas, as well as a resource rent tax (RRT) on greenfield offshore oil and gas developments — plus a proposed system of cash bonus bidding for exploration permits in more prospective offshore areas — will all operate to reduce exploration spending and production.

> 'Exploration is at present heavily biased towards areas likely to contribute only 20 per cent of production'

Mr Kevan Gosper, chairman of Shell Australia, which has invested massively in Australian resources over the past decade, says that whereas at present Australia has a small surplus of light crude, production from the major Bass Strait oil fields, discovered in the 1960s, is expected to begin *declining* rapidly.

Over the past decade, despite a benign tax regime, only 600m to 800m barrels were found, whereas Australia produced and consumed about 1.4bn barrels.

Over the past five years, Shell has spent A$54m exploring in the onshore yet remote and risky Officer Basin of Western Australia; it found nothing.

By discouraging rank wildcat exploration, says Mr Gosper, the attractiveness of oil and gas exploration off Australia's coast, compared with areas such as the North Sea which have a high geological prospectivity, has been reduced. "Furthermore, several countries, including the UK, have recently reduced taxation to encourage exploration just at the time when Australia is raising taxes."

Compounding the problem, as the industry sees it, is Canberra's plan to introduce soon a system of cash auctions for exploration permits in highly prospective offshore areas, initially in five areas of the Timor Sea, close to the Jabiru 1A find where BHP and its partners discovered oil last year.

Cash bidding for choice acreage involves up-front payments and will supplant the current "work programme" scheme, seen by the Government as inflexible and inefficient.

Oilmen maintain that the case for cash bidding has been weakened by Jabiru's downgrading (it was originally hailed as possibly indicating a bonanza oil province), and by weakening world oil prices.

They list other objections to cash bidding, maintaining that it will:

- Waste exploration funds;
- Prove inappropriate (the Timor Sea is complex both structurally and stratigraphically, and will need extensive exploration over many years and at high cost);
- Disadvantage those Australian companies that are small by world standards.

No-one in the industry likes the sound of cash bidding. Sir James Balderstone says: "Government expenditure, and hence its demands for revenue, continues to grow seemingly without reference to the performance of the economy. Overseas, cash bidding is reserved for relatively small mature areas, and areas where geological and seismic data enable rational economic assessment. At present, the Timor Sea has none of these characteristics."

The star exhibit at the Apea conference was Australia's new Minister for Resources and Energy, Senator Gareth Evans (formerly the Attorney-General) making his first appearance before a major resources industry forum.

Bearded and cocky, Sen Evans mounted a detailed defence of Hawke Government oil policies, saying he could see no reason to expect exploration activity to decline markedly.

Onshore activity was expected to hold up; offshore, he had seen no evidence of a dramatic decline in activity since the Government won power in March 1983 and began publicly to develop its RRT proposal.

As for cash bidding, he said the prime aim was to promote allocational efficiency, arguing that far from operating to divert a given quantum of funds out of the exploration arena and into Canberra's coffers, "information which has come to my department from overseas sources suggests that the net effect of cash bidding may be to add substantially to the pool of investment funds available for exploration in the medium term.

"It appears that a number of overseas companies with no previous experience in Australia, who have been very reluctant hitherto to compete against those with local knowledge and experience in work programme bidding, have now expressed an inclination to participate in cash bidding auctions."

Nor was he impressed with the claim that cash bidding would discriminate against most Australian companies.

"Although there are no Australian equity requirements at the exploration stage, many foreign companies seek to include Australian companies in their consortia because of the 50 per cent local equity requirement should petroleum be found and developed," he said. "Under cash bidding, there is no reason whatever to anticipate a change to this practice."

Last month the Australian dollar sagged badly against its U.S. counterpart, prompting hurried recalculation of oil stocks' attractiveness and sparking a gush of local stock market activity.

On some calculations, the country's oil producers will raise earnings by up to 50 per cent in 1985-86 if the Australian dollar says at around U.S.70c. The biggest winners might be BHP and Mr Robert Holmes a Court's Bell Resources, with the Cooper Basin producers, including Santos, Crusader, Claremont, Bridge Oil and Moonie, also benefiting.

INSULATION AGAINST OPEC SHOCKS

CRUDE OIL and natural gas production have helped insulate Australia's balance of payments from the two main Opec oil price shocks. In 1983-84, indigenous production saved crude oil imports worth A$5.5bn (£3.1bn), as well as generating crude oil exports worth A$203m and LPG exports worth A$502m, against a balance of trade surplus that year of just A$231m.

In the five years to December 1984, petroleum exploration spending was about A$3.4bn, while about A$4.8bn was spent on development. In 1983, total expenditure of A$1.85bn contributed 67 per cent of new fixed capital expenditure by private enterprise in the mining sector Down Under. Projects included North-West Shelf natural gas, Cooper Basin liquids, Bass Strait oil and gas expansion, Palm Valley gas, and Mereenie oilfield development.

Petroleum production currently contributes about 9 per cent of Federal Government revenue via excise, royalties and company tax.

Demand for petroleum fuels (excluding LPG) is thought likely to increase at 0.2 per cent per year, says the Department of Resources and Energy. Demand is expected to rise gradually from just under 220m barrels a year to some 235m barrels.

Apea says that in order to maintain self-sufficiency, Australia needs to drill more than 200 wells per year and maintain an average annual discovery rate of 200m barrels to compensate for declining production from existing fields.

SPACE PHOTOGRAPHY

A French challenge for Landsat

By Peter Marsh

FRANCE is taking on the U.S. in the fight to turn the esoteric technology of taking snapshots from space into a serious business undertaking.

While the U.S. struggles to transfer to the private sector a state-owned service in which satellites take pictures of the earth from an altitude of several hundred kilometres, France is forging ahead with plans to launch a commercial remote-sensing satellite in October.

Spot-1 will be operated by a company called Spot Image which is partly backed by the French Government. Helped by improved satellite technology and an aggressive marketing attitude, the Toulouse-based company hopes greatly to expand the customer base for information from space.

With such pictures, scientists can monitor huge swathes of land and sea, regardless of political boundaries and the inhospitability of terrain which may make conventional surveying difficult or impossible.

Such data has helped in a variety of projects all over the world, from assessment of sites for dam or road building to searches for fish-breeding areas.

Data from the U.S. Landsat series is sold to customers such as minerals companies and farming organisations, which with the pictures look for oil deposits and monitor crop growth. Although total sales of raw Landsat data account for no more than $20m a year, sales of "value-added" products such as oilfield surveys or super-accurate maps which are derived from the information may be 10-20 times higher.

Spot Image hopes to inject commercial attitudes into a discipline that, until now, has been left largely in the hands of scientists.

While data from the U.S. Landsat satellites is available in an often sporadic fashion mainly from government agencies around the world, the French aim to harness the energies of private distributors who will be given financial incentives to market Spot information to new customers.

Such organisations could include insurance companies, which could check on claims for damages to cropland in remote areas with the pictures and shipping organisations, which (using data derived from the oceans) could watch out for oil pollution or icebergs.

The Spot satellite should give pictures with a higher resolution than those from Landsat, in which objects of dimensions of 30 metres are the smallest that can be picked out.

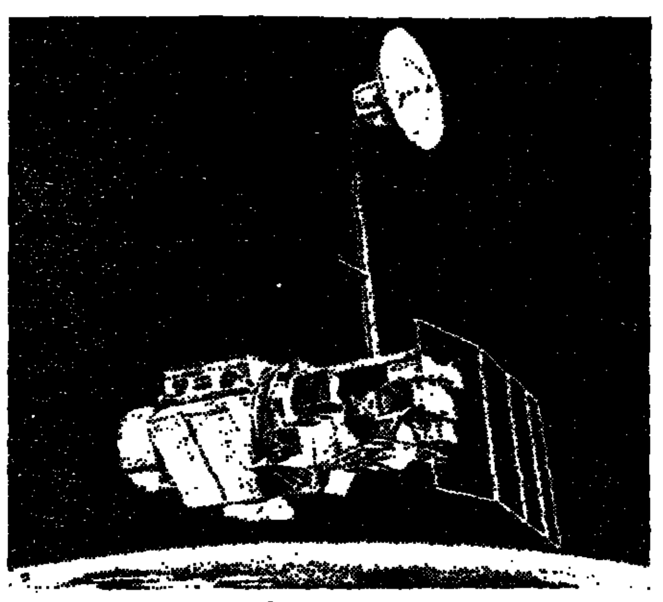
Computer simulations of Spot pictures show London buses and parked aeroplanes. The Spot satellite will obtain images in several wavelengths. By showing up, for instance, the degree to which plants reflect infra-red radiation, the images should pinpoint different types of crop in fields no bigger than a soccer pitch.

And while Landsat craft follow a circumscribed orbit so that they fly over a given point on the earth's surface roughly once a fortnight, the comparable time for the more flexible Spot should be a few days.

The French Government as part of its ambitious space programme is contributing some $500m to develop and launch Spot-1 and a second remote-sensing craft due to enter orbit later in the decade.

However, M Andre Fontanel, Spot Image's general manager, says that the company will operate with very little interference from state bodies. By the end of the 1980s, he hopes to sell 50,000 to 80,000 images a year, each containing information about an area of the earth 60 km square.

A computer tape containing the pictorial information as a sequence of digits will sell for $1,000, while a simple photograph of the area in question will cost about $200. The computer tape can be processed electronically, for example to merge the satellite data with other information or to pick out specific features.



The U.S. Landsat satellite.

The U.S. led the way with remote-sensing satellites, launching the first of its Landsat series 13 years ago. Two spacecraft are in orbit, relaying data to a dozen or so ground stations around the world.

The American Government and private companies have poured more than $1bn into Landsat—yet it continues to operate at an annual loss of about $15m.

While the French press ahead with plans for earth-mapping satellites, the U.S. effort to commercialise Landsat has run into serious problems.

It seems, however, inconceivable that the U.S. would permit Landsat simply to die out when the satellites wear out in 1987. For one thing, that would mean surrendering to France in a technology that the U.S. virtually invented.
president.

Second, the demise of Landsat would have international repercussions. It would dismay the countries which have agreements with the U.S. to receive Landsat data using their own ground stations.

These nations, including Brazil, China, India, South Africa, Canada and the 11 states in the European Space Agency, have to pay the U.S. an annual fee of $600,000 plus a nominal royalty on the data that they receive. They are then free to use the information in government projects or sell it to third parties.

These countries have themselves made substantial investments in remote-sensing through installation of receiving stations and processing equipment.

Two other big issues hover over remote sensing. The first is the narrow dividing line between military and civilian applications of the pictures from space.

More advanced civilian satellites such as Spot have resolutions approaching those of military spacecraft operated by the U.S. and the Soviet Union to check on, for instance, troop movements or missile silos.

Military authorities, the Pentagon for instance, view with distaste the notion that Third World countries and even private citizens could gain access to data that, in the normal run of events, carries a "classified" tag.

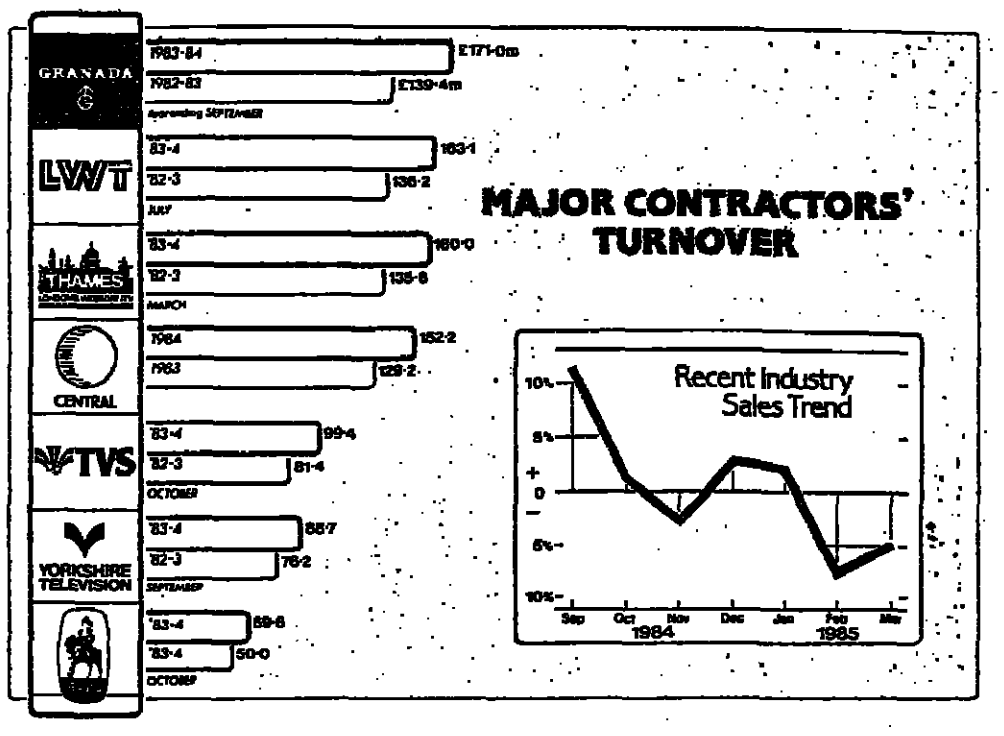
The second issue concerns intrusions of privacy on an international scale. Some countries, especially in the Third World, fear the consequences of private companies "spying" on them from space, for example to gain information about natural resources such as minerals deposits.

Dr Klaus Heiss, a maverick, Austrian-born space entrepreneur last year tried to persuade the U.S. Government to approve a plan to set up a private remote-sensing service in which data would be sold only to specified customers as opposed to being made available to anyone who wants the information.

Dr Heiss's plan was turned down, but not before he had raised the spectre of a Big Brother in space seeking out information across political boundaries. That spectre could some day re-appear, especially if the U.S. decides that the establishment of a service of this kind is the only way to turn Landsat into a venture that will pay for itself.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ



Why the slump in TV revenues?

Feona McEwan finds the industry has conflicting views

BRITAIN'S independent television companies, as every marketing man knows, are currently in a spot of bother. Ad revenues are down in real terms for the sixth month in a row—a condition unknown in recent times, and no one knows why.

The slump that first surfaced last October *has become* a chronic anxiety for the whole industry. There are wider implications too—since TV expenditure has proved in the past a useful economic indicator, many pundits are seriously questioning whether the downturn signals a recession for industry at large.

The TV contractors, though they deny it, are rattled. Well used as they have become to the inexorable rise of revenues since the early 1970s—exceptions were 1974 (the three day week) and 1979 (the ITV strike) — the length of time that this dip has lasted is a particular shock.

The companies are by no means in the poorhouse yet. But serious competition from cable may be only two or three years away, there is worry about the levy paid by the independent *companies* and the *long-running* debate about advertising on the BBC. Channel 4 admits "obviously we're concerned, it means less subscriptions."

Agencies are not too happy either—the larger companies, heavily biased toward TV, will feel the pinch most. Of course, not everyone suffers. For advertisers, who've long bemoaned soaring production costs, airtime is cheaper than it's been in a long time. It's the first time in 10 years that TV costs have risen behind the retail price index, which comes as music to many an advertiser's ear. Meantime, rival media, especially press, magazines and below-the-line activities such as sales promotion and direct marketing, are flourishing—for the time being anyway.

So why the slump? Are advertisers disenchanted with the medium and its costs, have they eased up in response to the new audience measurement system, or have they been forced to abandon TV because of hard times in-house? And what are the contractors doing *to beef up their ailing coffers?*

This week the March figures were released (down 5 per cent on last year) making what one contractor had earlier passed off as "a delayed spring" (with revenues soon to bounce back) look increasingly like the spring that never arrived.

Economic consultant for AGB Research, Harold Lind, believes the current slump could be the familiar trade cycle which was apparent in the 1960s and 1970s. "If so," he says, "it would be surprising if other media didn't start showing the effect soon."

The Advertising Association takes a more optimistic line—modest current growth of about 7 per cent for the industry overall, and 2 per cent real growth for TV in 1985. "All the analysis and all we know about fundamental indicators (such as full order books, increasing markets, company profits, consumer spending) suggest the British economy is fairly sound at the moment. There's nothing to suggest a falling off of expenditure," says Mike Waterson, the AA's research director.

Yet he finds the downturn curious. *Traditionally,* he says, Press and TV move in harmony. But now Press is taking market share from TV. What is clear is that no single factor is responsible for the slump—rather, it seems, a coincidence of several.

The most widely-listed factors include:

- The recent weakness of the pound against the dollar. "With many advertisers remitting profits in dollars they can cut their advertising if need be to keep profit levels high," says Waterson. "Importers now account for a large chunk of UK advertising, from food to durables, and they are hit when the pound is weak." This, combined with rising interest rates, makes it hard for them to find the money to reinvest in TV. The same rationale applies to Japanese advertisers.
- The new British Audience Research Bureau (BARB) measurement system. This is said to improve the accuracy of audience measurement by up to 20 per cent; simplistically, this would mean that a programme with 80 rating points last year would be the equivalent *of 100* points this year. Many suggest this equation is causing advertisers to reduce their spend.

Peter Todd, media director of Davidson Pearce says "In my experience, clients don't move advertising budgets up and down because of media costs or audiences, but because of profits."

Norman Hawkins, marketing director of Cadbury Schweppes, a heavy TV advertiser, pooh poohs the notion of reduced spend as a result of the new system. "While we value the new measurement system, I don't think many of us are naive enough to think we are digging into a rich golden vein of new viewers not dug before," he says, though he regards the current situation as one of welcome respite in the rise of TV costs.

- Defection of some groups of advertisers. Exactly who, is yet to be defined and many agencies are busy analysing this.
- Fragmentation. Both Channel 4 and TV am have stolen revenue from the ITV companies. "TVam now takes £1½ *to £2m in a good month,"* says Ingram, "which is almost 2 per cent of ITV figures so they're obviously taking money from ITV."
- Miners' strike. "Though this has not affected the ad industry," says Waterson, "it has affected the economy, cutting growth and profits in certain areas considerably."

Norman Hawkins notes: "The alternative media we have available to us as an advertiser is fascinating. Posters are good value; and now that tobacco is pulling back, some prime sites are being released. The free sheets are making life interesting with some amazing offers, and commercial radio, now out of its honeymoon, is offering attractive deals. There are, too, the short term price promotions favoured in the fast moving *packaged goods field." David* Lamb, UK ad manager of Rowntree, has said similar.

What, then, are the TV companies doing about this? The agencies are hoping the *contractors can sell themselves* out of the corner and there are already signs that this is so. The ITCA corporate campaign, its second ever on such a scale, is already on our screens and in our papers. The move to reduce the cost of the 60-second commercial has taken effect in a number of areas and there is every likelihood it will soon be legion.

Individuals are already fighting hard. *London Weekend's* sales director, Ron Miller, yesterday launched a new industrial ratecard—aimed no doubt at prising away traditional press advertising—which is said by media buyers to be attractive since it offers a nearly 50 per cent discount.

This comes hard on the heels of two other LWT initiatives. Four on Four rate card launched about six weeks ago by LWT, Central, Anglia and TVS, known as the "Production Subvention Rate Card" is aimed at lapsed and new advertisers who have been off the screen for at least two years. Unusually, these prices are fixed until 1987. *Last week LWT introduced its* Direct Target Marketing rate card.

Grampian is developing a clutch of five *or* six specialist ratecards for the business-to-business advertiser including the *job market, agriculture,* oil market, and entertainment. "They are roughly the same as national prices," says sales director Neil Welling, "but are specifically targeted at appropriate programmes."

Chairman of the television companies marketing committee, John Fox of TVS, voices an opinion held by many industry observers: "I think the downturn has bottomed out. Factors *which many believe have contributed* to the situation, such as the state of the pound, the miners' strike, interest rates and (as they become more familiar) Barb ratings are now going in the reverse direction. We should see a slow but sure picking up of revenues to reach about £950m by the end of the year." (Last year the total was £911m.) Advertisers, he says, are currently getting value for money with much more air time and higher audiences.

Selling through design

Ian Hamilton Fazey on a novel studio developed by Becker, the Swedish industrial paint maker, to promote its products

WILHELM BECKER, the Swedish company that has been attacking European industrial paint markets with increasing vigour in the last ten years, has decided it is not in the paint business.

But that is not good news for its multinational competitors. Paint is what Becker makes and will continue to do so—it is just not selling the stuff any more.

According to Goran Wikstrom, president of Becker's industrial coatings division: "Surfaces are what you see and touch. Product quality begins with a surface that is looked at or handled. Getting the surface right through colour and texture is critical to good industrial design. That is what we're selling."

His general manager, Sten Skoog, says: "We believe that our customers should use paint to sell more products and give them a higher value. The surface disguises the true material underneath and can therefore be much more important in determining what people *perceive* as quality."

For instance, plastic can be coated with a special paint that makes it look like, say, metal. Thus, cars with metallic paint sell more easily on their looks than their conventional counter*parts. Choice of colours can be* crucial; Becker experts say that light blue buses sell better in desert countries than bright red ones because there is less "visual noise" against the general colour of the background.

But such considerations have not guided many manufacturers in the past. Wikstrom says: "A lot of companies don't even buy in professional advice. They take things home to their wives and say, 'What colour do you think we should paint this?' or they paint them orange because that is the colour of the company's trucks.

"We felt that if we could find *some way to combine colour and* design we might be able to help companies produce something more valuable, at higher quality, and with greater sales potential, but at about the same price."

To back this up, Becker has set up a design studio and employed the most up-to-date findings in applied psychology to develop an idea called "ICD"—industrial colour design. Leading Swedish companies with their own styling studios, such as Volvo, Electrolux and Saab, have helped the *development* and subsequently used it with enthusiasm.

The experiment has been going a year but Becker intends to wait another 12 months before *deciding* its next step. Logic suggests extension throughout Europe but that will require considerable commitment of resources so it must be able to guarantee a good return.

Wikstrom says: "We know it works here as a marketing approach. It has attracted new customers and strengthened our position with existing ones. People are coming in to develop new products. But we *think* we should wait a year to evaluate it fully before trying to extend."

Becker has already established itself throughout Europe, expanding through acquisition. Well entrenched in the Nordic market—where it now has a 44 per cent share of industrial paint sales—it felt that sitting on its laurels would invite eventual takeover by a multinational. So it set out to become a multinational itself, buying high technology paint companies in Britain, France and West Germany.

Prospects

Its most recent British acquisition—this year—was the Liverpool-based Goodlass Wall, a purchase that put Becker into about sixth place by sales in both the UK and Europe as a whole. Since the league table includes ICI, BASF, Hoechst, PPG and International, the Swedish company's advance in more than doubling its turnover since 1979—sales were SKr 1,575m in 1983 and SKr 949m (£84m) in the first half of last year—is no splash in the can.

Becker's management, headed by the 40-year-old group president Hans Miver, believes that its marketing stance has been *critical to its* emergence and prospects—which are in turn critical in keeping happy the Swedish banks that have lent to finance expansion. Crucial to that stance has been a refusal to fight for share by price-cutting.

Wikstrom says: "You have to work at it if you want to stay market leader. We decided that price fights would not fit with our standing as a high tech company. But assistance with design certainly does."

There is, however, nothing new about the basic theory behind the I.C.D. Studio's system. It uses the "golden section"—a principle fundamental to art, architecture and design since the Ancient Greeks—which enables proportions of length or area to be *calculated* so that they are at their most harmonious and pleasing.

Under "golden section" principles, there is always an optimum division of any *field of* vision into dominant, sub-dominant, mediant and accented areas. Becker's system has only six basic dominant colours, five sub-dominant, six accents and five mediants, but each comes in five shades of brightness.

By laying them out on a grid—as though on a guitar finger-board — harmonious "colour chords" can be created. The system, which is copyrighted, works for choosing entire colour schemes or single colours. Paint a tractor bright red, for example, and it could well become a jarring "accent" in the countryside. Choose another colour and it may become more pleasing to buy because it harmonises more closely with the "dominant" or "sub-dominant" shades of nature.

The quality of light will also affect colour choice and the *studio simulates* a full range of different daylight and artificial spectra. Typewriters or computer keyboards can look cold, cheerless or even intimidating in some lights if painted in particular colours. Finding the right mixture of colours, with the right "accents" for function keys, is very important.

And do all car dashboards—mostly now moulded plastic with a painted, textured surface—have to be black? Modern technology enables a colour to be chosen that will harmonise perfectly with the whole interior design, with warning instrument lights pro*viding* the "accents" as an aid to aesthetics as well as safety.

Wikstrom says that the design studio has had another important effect: the people using it to buy paint are now marketing directors and even chief executives, rather than production or purchasing managers, which was almost invariably the case in the past. The whole image of Becker's industrial paints is therefore changing in Sweden.

· GRANADA · HTV · LWT · SCOTTISH ·



What sort of TV do you get with more channels?



Look at American TV.

Now, we're not saying that their programmes are all bad.

But they definitely lack variety.

Which, if you think about it, is rather strange.

How come a country with something like 840 TV stations offers less variety than a country with only 4...?

America's contribution to world culture.

Because, quite simply, the basis of American commercial TV is pure commercialism.

So New York's 8 commercial channels are all fighting it out to be Top Cat in the ratings.

Which leads to the use of copy-cat techniques.

And programme quality suffers too – because there's less money in each channel's kitty.

Which means that, for advertisers, there is poorer quality, poorer choice, and *less* cost-efficiency than here.

The bottom line being that American advertisers get what they would call a bum deal.

The Magna Carta was signed in 1954.

But British TV is different. Because of the IBA charter of 1954.

Its purpose was to ensure that independent television could function independently of Government – by deriving sufficient income from advertising.

Uniquely, it also ensured that viewers receive a *range* of programming – entertainment, education and information.

However, it's difficult to quantify programme quality.

One man's Minder is another man's Poseidon Adventure.

Diana Rigg playing Regan in King Lear may seem less attractive to you than John Thaw playing Regan in The Sweeney.

But it's interesting that our programmes are usually regarded as the best in the world.

Win some, win some more.

As proved by the international awards for TV excellence – the Emmies of New York and the Palmares of Montreux.

In the last 3 years, ITV has won 7 Emmies.

Which is rather like a fleet of "Chariots of Fire" coming off a production line.

We've also won 3 Palmares at Montreux – one Silver Rose, and two Gold Roses. But, if you put all 840 American TV stations together, they only managed 3 between them.

This happens because *we* don't have to compete against other stations for a slice of the advertising revenue.

And the high quality of programming isn't just a question of Art for Melvyn Bragg's sake. Because what we really pride ourselves on is our *variety.*

So, although our clients may not wish to look on themselves as patrons of the arts....

At least they're not patronising their audience.

ANGLIA · BORDER · CENTRAL · CHANNEL · GRAMPIAN

THAMES · TSW · TVS · TYNE TEES · ULSTER · YORKSHIRE

· ITV AND CHANNEL 4 THE BEST VALUE TV IN THE WORLD ·

UK NEWS

Nissan supplier to import technology

By Kenneth Gooding, Motor Industry Correspondent

NP ECKO, a Courtaulds subsidiary, is poised to become the first major supplier to Nissan's new car production company in Britain to use technology imported from Japan.

ECKO will buy tooling from Kanto Seiki, a Nissan associate company, to produce right-hand drive versions of the instrument panel for the car to be built at Washington, Tyne and Wear, in north east England.

Mr Peter Selkirk, ECKO's managing director, said yesterday, "This is a very important deal for us. We have a relatively small number of major customers (including Austin Rover, Ford and Vauxhall) and to add another to the list and to be working with Nissan and its principal supplier in Japan is quite a feather in our cap."

ECKO will initially supply 24,000 instrument panels a year to the Washington plant which comes on stream next year although Mr Selkirk admitted that would not have much impact on jobs – the company employs 330 at Southend on the east coast.

If Nissan moves to a second stage and produces 100,000 cars a year by 1990, it would, he said, make a considerable difference. "We hope to supply a greater range of parts as a key supplier and that would involve a major expansion and many more jobs," Mr Selkirk added.

There has been no major transfer of technology in the first deal – in essence Kanto Seiki is selling design and development along with tooling on a one-off basis. But Mr Selkirk hoped that as the relationship developed there would be other avenues for the transfer of technology.

Mr Ian Gibson, director purchasing and production control for Nissan's Washington project, yesterday said he expected to order the instrument panels from ECKO shortly.

"It is not the only major plastic moulding we are talking to NP ECKO about, and I would be surprised if we did not do more big injection mouldings with them," he added.

Nissan had decided to use European production of the instrument panel rather than importing it because "it is a highly visible, high-quality product which might suffer if sent long distances. We also need local control to make sure that the panel matches the body and other locally produced components."

Mr Gibson suggested that Nissan or its associates would be involved in fewer than 10 deals of the type between Kanto Seiki and ECKO. "Mostly, we will buy from traditional suppliers in Europe and buy normal, traditional components.

Recession forces 1m migrant workers to leave West Europe

BY RICHARD EVANS

MORE THAN 1m migrant workers have been forced to leave Western Europe because of the economic recession over the past few years and return to their countries of origin.

This exodus, together with millions of refugees from hunger, war and natural disaster, has led to a problem of "monumental proportions" in the Third World, according to a report on migrant Workers in Europe, published today by the *Centre for Contemporary Studies*.

Attempts to tackle the problem have, so far, been piecemeal and ineffective, declares the report's author, Dr Richard Plender, Director of the Centre of European Law at King's College, London, and a former adviser to the United Nations High Commissioner for Refugees.

Individual countries were content merely to redirect the flow of immigration from their own territory to that of a neighbouring country.

Dr Plender calls for multilateral action to deal with the growing problems of migrant workers and of refugees. "It is increasingly clear that the problems created by international migration demand an international solution. Such a solution is particularly feasible among the industrialised countries of Western Europe," he believes.

The employment of foreign workers in Western Europe reached its peak around 1974, when about 6m migrants were employed, bringing the total foreign population to 15m. Today, probably fewer than 5m migrant workers are employed.

The curtailment of foreign labour recruitment has been particularly marked in some of the countries that attracted the largest numbers of migrant workers, including West Germany, Switzerland, France and the UK.

West Germany is a particularly dramatic example. The number of foreign workers registered in 1973 was more than 2.6m and by 1977 this had fallen to 1.9m. During those four years the total was reduced by about 221,000 through naturalisation, deaths and unregistered unemployment, and over the same period 470,000 foreign workers entered the country.

It appears, therefore, that about 910,000 migrant workers left the country, representing a 46 per cent decline in foreign labour force.

UK statistics do not enable an accurate appraisal to be made of the foreign-born proportion of the workforce. But Dr Plender states: "Nevertheless, it seems that there is a decline in the proportion of the workforce whose members consider themselves to be "non-white" and a decline in the number of aliens registered with the police; and this would be consistent with a trend towards return migration in the UK as in other parts of Western Europe."

One proposal backed by Dr Plender is that migrant workers who have been engaged for a specific period (such as five years) in the territory of a Western European state should be entitled to remain and be treated on the same basis as nationals.

"The application of a common policy to the admission and treatment of labour from outside the Community is no less vital for the establishment of a truly common market than the application of a common external tariff for imported goods, coupled with common rules for the free movement of goods between member states," he declares.

Migrant Workers in Western Europe; Centre for Contemporary Studies, Ingersoll House, 202 New North Road, London N1 7BL.

Oil output fall checks industrial production

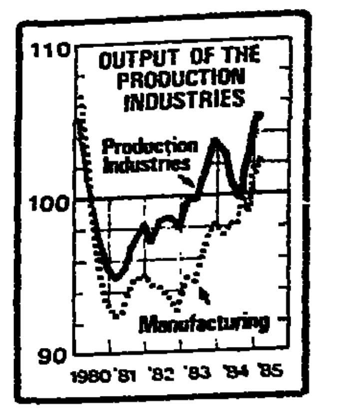
By Philip Stephens

THE TREND of manufacturing output showed signs of picking up in February, but a drop in North Sea oil production depressed overall industrial output.

The Central Statistical Office (CSO) said yesterday manufacturing output rose by 0.9 per cent in February, with particularly strong growth seen in the electrical engineering, chemicals and motor manufacturing sectors. The metals and minerals industries, however, remained depressed.

In the three months to February, which the office regards as a better guide to the underlying trend, output increased by 0.8 per cent compared with the previous three-month period.

That rise followed a period of stagnant production after strong growth in the earlier months of 1984.



The latest two months' figures for *manufacturing* include what the CSO terms a temporary bias correction which boosts the recorded figure in February by 1 per cent and in January by 0.5 per cent.

Government statisticians say that this merely takes account of the usual upward revision in the figures and is removed once fuller data is available. Its removal from the last months' of 1984, however, has led to a downward revision of output for that period.

The CSO said overall industrial production in February fell by 0.2 per cent from the previous month, but on a three-month comparison was still growing by about 1.7 per cent.

The dip in February was due entirely to a fall in North Sea oil output, which slipped back from the very high level of January.

Officials said the miners' strike had reduced the overall level of output by around 3½ per cent in the six months to February, but the effect on manufacturing was minimal.

The index of industrial production stood at 105.0 in February (1980 = 100) against 105.2, the previous month.

Software-copying an epidemic, court told

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

PIRATING and counterfeiting of computer software was reaching epidemic proportions and causing widespread concern in the industry, the High Court in London was told yesterday.

Mr Thomas Beazley said on behalf of five companies whose computer software products had been copied that efforts to remedy the position had not been helped by the lack of copyright protection. Record and video products were protected, however.

Four people – two of them aged under 18 – admitted making unauthorised copies of the companies' tapes and consented to permanent injunctions being made against them in an action brought by Arctic Computing, Thorn EMI Information Technology, A & F Software, Anirog Software and Mirror Group Newspapers.

Mr Beazley said the companies' action had been supported by other manufacturers – Commodore Business Machines (UK), Quicksilva, Mastertronic Software Projects and Visions Software Factory – and generated considerable interest in the industry as a whole.

Settlement of the action came on the eve of the third reading in parliament of the Copyright (Computer Software) Amendment

Investment houses feel talent squeeze

George Graham looks at the rivalry created by the shortage of experienced fund managers and the inducements being offered to seasoned personnel to stay on or move job.

INVESTMENT houses in London are looking anxiously over their shoulders in fear that their best funds managers may be lured to rival groups.

This attack of nerves has been brought on by the shortage of experienced managers in Far Eastern and Japanese markets, and also in the European market.

The shortage is highlighted by recent appointments at Henderson Administration, one of the leading independent investment management groups. It has just attracted prominent fund managers into the new team running its Japanese and Far Eastern funds.

Other managers of Japanese funds are also on the move, and they are commanding sharply increased salaries, as well as profit-sharing incentives.

Henderson's Japanese and Far Eastern funds used to be run by Henderson Baring, its joint venture with Baring Brothers merchant bank. Barings bought out Henderson's share this year, and the Henderson funds, worth around £400m, are being brought under internal management.

To run them, Henderson has recruited Mr Iain Clark, who has been managing about £500m of Far Eastern and Japanese investments at Schroders, including the Schroder Tokyo unit trust.

He will be joined by Miss Jill Smith, who now runs the Framlington Japan and General unit trust. She moved to Framlington less than 18 months ago from Prolific Unit Trusts.

Also moving is Mr Scott McGlashan, who is leaving Hill Samuel to set up a new Far East Growth fund for the Perpetual group.

One large stockbroking firm is looking – so far in vain – for a fund manager to run a new Japanese unit trust.

Expertise in the European market is, if anything, even scarcer, but the funds investing in the sector are smaller and fewer.

Investment companies are having to raise their salaries and incentives to ensure that their fund managers are not headhunted.

"Anyone with any profile in the unit trust industry can expect to be contacted by management consultants about four times a year," said Mr Roger Cornick of Perpetual. His group is prepared to pay "more or less what it takes" to attract a good fund manager, he says.

Successful fund managers with five or more years of experience can command salaries between £35,000 and £75,000, with £40,000 to £50,000 typical for a seasoned manager.

Additional inducements such as profit-sharing schemes and share options are often needed to tempt fund managers into moving – particularly those with Far Eastern expertise.

Plan to help industry exploit biotechnology

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN plans to mount a biotechnology programme to help industry to exploit long-term opportunities in agriculture and foods science.

Government officials say that the venture, which will seek to involve Britain's leading companies, particularly those in the food sector, may be launched later this year.

The plan was disclosed by Mr Geoffrey Pattie, Industry Minister responsible for biotechnology, at a conference in London.

It is similar to the Alvey programme, which is a £350m, five-year joint research venture involving industry, universities and government in the advanced electronics of artificial intelligence. The Department of Trade and Industry is providing £200m.

Five UK food and agro-chemical groups – Unilever, ICI, Shell, RHM and Cadbury-Schweppes – have been involved at chairman level in talks, called by Mr Pattie, on the biotechnology venture.

Three research councils and the Agricultural Genetics Company, a new biotechnology company set up to help to exploit the science of the Agricultural and Food Research Council, are also involved in the plan. Ultramar, the UK oil group, has a big stake in the biotechnology company.

The Department of Trade and Industry is talking of a joint research programme spending £5m-£10m a year over five years.

The object will be to fill in gaps in basic biological science that are preventing the food and agro-chemical industries from exploiting new biotechnologies, such as genetic engineering.

Participating companies would create partnerships with universities, polytechnics and research council laboratories.

Study groups set up to investigate three areas – food science, plant science and animal science – are due to report to the Government in June.

Mr Wensley Haydon-Baillie, chairman of Porton International, a new biotechnology company with close links with government and university science, forecast that the big industrial companies would be taking major decisions on biotechnology by 1987–88, if not sooner.

His company had already been approached by international companies "talking on a scale we never expected for three or four years to come."

BASE LENDING RATES

A.B.N. Bank	13¼%	Hongkong & Shanghai	13¼%
Allied Irish Bank	12¾%	Johnson Matthey Bkrs.	13¼%
Henry Ansbacher	13 %	Knowsley & Co. Ltd.	13¼%
Amro Bank	13 %	Lloyds Bank	13 %
Associates Cap. Corp.	14 %	Edward Manson & Co.	14 %
Banco de Bilbao	12¾%	Meghraj & Sons Ltd.	13 %
Bank Hapoalim	13 %	Midland Bank	12¾%
BCCI	13¼%	■ Morgan Grenfell	13 %
Bank of Ireland	13¼%	Mount-Credit Corp. Ltd.	12¾%
Bank of Cyprus	13 %	National Bk. of Kuwait	13 %
Bank of India	13¼%	National Girobank	13 %
Bank of Scotland	13 %	National Westminster	13 %
Banque Belge Ltd.	13 %	Northern Bank Ltd.	13 %
Barclays Bank	12¾%	Norwich Gen. Trust	12¾%
Beneficial Trust Ltd.	14 %	People's Trust	14 %
Brit. Bank of Mid. East	13¼%	Provincial Trust Ltd.	14 %
■ Brown Shipley	13 %	R. Raphael & Sons	13¼%
CL Bank Nederland	12¾%	P. S. Refson	13¼%
Canada Perm'nt Trust	13¼%	Roxburghe Guarantee	13¼%
Cayzer Ltd.	13¼%	Royal Bank of Scotland	13 %
Cedar Holdings	14 %	Royal Trust Co. Canada	12¾%
■ Charterhouse Japhet	13 %	■ J. Henry Schroder Wagg	13¼%
Choulartons**		Standard Chartered	‖12¾%
Citibank NA	13 %	TCB	13 %
Citibank Savings	¶12¾%	Trustee Savings Bank	13 %
Clydesdale Bank	13 %	United Bank of Kuwait	13¼%
C. E. Coates & Co. Ltd.	13¼%	United Mizrahi Bank	13¼%
Comm. Bk. N. East	13 %	Westpac Banking Corp.	13 %
Consolidated Credits	13¼%	Whiteaway Laidlaw	13¼%
Co-operative Bank	*13 %	Williams & Glyn's	13 %
The Cyprus Popular Bk.	13 %	Wintrust Secs. Ltd.	13¼%
Dunbar & Co. Ltd.	13 %	Yorkshire Bank	13 %
Duncan Lawrie	12¾%		
E. T. Trust	13¾%		
Exeter Trust Ltd.	13¼%		
First Nat. Fin. Corp.	14¼%		
First Nat. Secs. Ltd.	14 %		
■ Robert Fleming & Co.	13 %		
Robert Fraser & Ptns.	14 %		
Grindlays Bank	‡13¼%		
■ Guinness Mahon	13 %		
■ Hambros Bank	13 %		
Heritable & Gen. Trust	13 %		
■ Hill Samuel	§13 %		
C. Hoare & Co.	13 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 10%, 1 month 10.75%. Top tier—£2,500 plus 3 months notice 12.50% at call when £10,000 plus remains deposited.

‡ Call deposits £1,000 and over 10½%.

‖ 21-day deposits over £1,000 10¾%.

¶ Mortgage base rate.

** See Provincial Trust Ltd.

§ Demand deposits 10%.

UK NEWS

Job increases last year top 300,000

BY PHILIP STEPHENS

THE NUMBER of people in work in Britain increased by 142,000 in the last three months of 1984, bringing the total increase in jobs in the economy to 343,000 over the year.

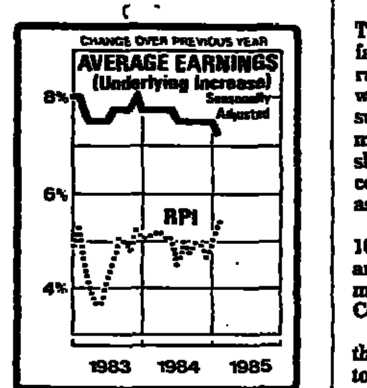
Official figures released yesterday also showed that the growth rate of average earnings had slowed to its lowest level since the current series of statistics was introduced in 1979. Income of those in work, however, is still keeping well ahead of inflation.

The developments were welcomed by the Government, but Mr Tom King, the Secretary of State for Employment, said the pay increases were still too high in comparison with those of Britain's international competitors.

The latest figures show the underlying level of average earnings, which includes overtime, bonus payments and direct wage increases, rose by 7¼ per cent in the year to February, while inflation was just over 5 per cent.

This compares with a growth rate in earnings of 7½ per cent in January and 7¾ per cent in the early months of 1984. Government officials indicated that the last time nominal earnings were growing at, or below, that rate was for a brief period in 1977 and before that in 1967. But real earnings – income minus inflation – remain historically high.

Mr King made clear that the Government regarded further downward moves as essential. "The message is clear. Unless we can keep to a more reasonable level of increase in earnings, our unit labour costs will continue to rise and we shall become steadily less competitive," he said.



The Department of Employment said unit labour costs rose by an average 3.9 per cent last quarter of 1984, compared with a rise of only 1 per cent in the U.S.,

The employment figures show that last year, as in 1983, most of the new jobs created were in the service industries and in self-employment. Other sectors, including manufacturing, registered losses of 100,000 jobs.

The main growth areas were retailing and finance, concentrated in particular in the south-east and south-west of England, East Anglia and Scotland.

A high proportion of the new jobs, however, were part-time and taken by women, which, with the natural growth in the labour force, explains why the official unemployment total continued to rise last year, despite the increase in the number of people in work.

Commercial management plan for dockyards

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE MINISTRY of Defence is proposing that the two Royal dockyards of Rosyth and Devonport should be transferred to commercial management following competitive bids from shipbuilding and other British companies. The yards are at Plymouth in the south west of England.

The proposal, which would involve transferring a yearly £400m of work on naval refits to the private sector and redundancies of 2,500 in the 20,000 strong workforce, was made in what the Government yesterday described as a consultative document. It is the preferred of four options listed in the Ministry of Defence paper.

The others are the outright sale of the dockyards to the private sector, or ultimate privatisation by the slower route of a wholly government owned company.

A third course would be the creation of a trading fund to operate the yards on more commercial lines within the public sector. At the moment they are run directly by the ministry.

Mr Michael Heseltine, the Defence Secretary, made clear yesterday that he believed the commercial management option would be the best way of meeting the Navy's needs and of introducing efficiency into an inefficiently run organisation.

Mr Heseltine told the House of Commons yesterday that he expected the "consultative process" to last until early July. He wanted to take a final decision before the summer parliamentary recess.

Mr Heseltine's document has been long awaited and heavily leaked.

Pit union threatens ban on overtime

By Philip Bassett, Labour Correspondent

THE GOVERNMENT last night faced the threat of renewed disruption in the coal industry when leaders of Nacods, the pit supervisors' union, recommended a ballot of its membership on an overtime ban. This could hit coal output by as much as one third.

The ballot will be held on May 10 over what the union claims are clear breaches in an agreement it has with the National Coal Board over pit closures.

The Government has described the agreement, reached last October, as sacrosanct. It was reached to help to avert a threatened strike by Nacods members during the year-long coal strike. When Nacods members threatened to strike last year the move won approval in a ballot by 82 per cent.

Mr Peter McNestry, Nacods general secretary, forecast that the overtime ban would have a "very important and significant effect" if it went ahead. Mr Eddie Laing, secretary of the union's moderate Nottinghamshire area, thought its effect would be "catastrophic".

A ban on overtime would immeditely hit weekend repair work. Nacods' presence in the pits is often required by law on safety grounds.

If the ban goes ahead, it would have a cumulative effect on repair work, pushing it into normal weekday working days, and cutting down production time.

The union wants the board to withdraw a management document issued on March 27 which it says provides for the closure of collieries outside the terms of its agreement.

The NCB denies the union's interpretation of its document, and said that the board had not taken a decision to close Bedwas.

National Union of Mineworkers members at the pit have already opted for redundancy.

Mr Glyn Jones, secretary of the Nacods South Wales section, said the management document could mean the imminent closure of eight pits in his area alone. The board was using damage done to pits in the miners' strike as a way round its agreement with Nacods.

Mr Laing said his members felt that they had been "duped" by the board.

Talks are likely to take place between the board and the union on the threatened ban, but in addition Mr Jim O'Connor, the Scottish Nacods leader, said the union was seeking a meeting with Mrs Margaret Thatcher, the Prime Minister to inform her of the board's actions.

Union official says he changed figures in leadership ballot

BY OUR LABOUR CORRESPONDENT

FRESH ALLEGATIONS of malpractice in last year's election for the general secretaryship of Britain's largest union, the Transport and General Workers' (TGWU) were made yesterday by one of the election's scrutineers.

The new claims are certain to be discussed at a meeting in London today between Mr Moss Evans, the TGWU's outgoing general secretary, and Mr George Wright, the Wales regional secretary who narrowly lost the election last year to Mr Ron Todd.

Mr Wright will present a dossier of evidence to support his call for a new ballot, based on details of previous allegations of ballot-rigging surrounding the disputed election.

Considerable credibility is being attached in the union to the new allegations made by a recently-retired convener of a Kent pharmaceuticals company, Mr Bert Anstice, because of his standing in the TGWU.

A long-time branch secretary, and a member for seven years of the committee governing the union's largest region, No 1, covering London and the south east, Mr Anstice acted as a scrutineer at the regional count in the election last June.

Mr Anstice said that he had changed branch voting figures on the instructions of regional officials, and that a number of other scrutineers had acted similarly.

Mr Anstice said last night that he "could not judge" whether the practices which form the substance of his complaint were carried out by design or through mismanagement, but Mr Evans described the allegations as "outrageous."

These new charges will further increase the pressure for an inquiry into the election, or a re-run of the ballot. Mr Tom King, Employment Secretary, said that the dispute about the TGWU election reinforced how right the Government was to introduce its 1984 Trade Union Act on unions' internal practices.

He said that from October 1, when provisions in the Act on union executive elections come into force, "the sort of arrangements that are now the subject of the TGWU complaints will not be allowed."

Mr Anstice said he was far from satisfied at the way the count was conducted. His main allegation, denied by the union, concerns the method of the count.

Returns of the individual ballot votes, collected at branches were sent to the region on pink forms. A cross-check system on white forms, was set up for administrative purposes.

Mr Anstice alleges that he and the other scrutineers were told by the region's leadership that if there were any discrepancies in the voting figures between the pink and the white papers to adjust the pink papers – the branch forms – to bring them into line with the white.

Mr Anstice said he queried the instructions, but was told that this was common practice in the region. He admitted in television interviews last night that he personally adjusted about six pink returns, and says that since there were about 24 people acting in the same capacity, with the same instructions, about 70-80 changes could have been made in total.

Star wars unstoppable, Kinnock tells Socialists

BY MARGARET VAN HATTEM

PRESIDENT RONALD REAGAN'S star wars Strategic Defence Initiative will gather an unstoppable momentum, moving inevitably from research to practical tests, Mr Neil Kinnock, Labour Party leader, warned yesterday.

Speaking at the Socialist International conference in Brussels, he said only a fool or a liar could argue that since any further steps would breach the 1972 ballistic missiles treaty, star wars would stop at research.

"Nothing should persuade us that people and powers who have been lambs towards the first stage of star wars development will suddenly become lions when President Reagan or anyone else decides that they have to make and test a weapon in order to see if all the research was worthwhile," he said.

Mr Kinnock said the star wars strategy was undermining the Nato alliance. Views expressed by Conservatives such as Sir Geoffrey Howe and Mr Edward Heath in Britain, by Herr Hans-Dietrich Genscher in West Germany and by members of the U.S. Congress illustrated the profound divisions.

"It is a preposterous waste of funds, advanced technology and scientific ability," he continued. "It can become a source of a false sense of security based on the mad idea that super powers can blow each other's weapons to hell and somehow leave the world and its atmosphere, its environment and its people, unharmed."

The concept of an invulnerable nuclear umbrella was a fantasy, he said.

British Rail may press for rail strike damages

BY OUR LABOUR STAFF

BRITISH RAIL is collecting evidence of the cost of lost business from yesterday's 24-hour Scottish rail strike with a view to seeking damages from the National Union of Railwaymen (NUR).

The stoppage was called in protest at plans to cut 1,200 jobs at the rail engineering workshops in Glasgow.

The NUR fears that the redundancies will lead to closure of the workshops and the loss of another 500 jobs, as BR pursues its policy of competitive tendering for the manufacture of locomotives and rolling stock.

BR said it was also still assessing damages resulting from the strike on January 17 which affected services in South Yorkshire and the East Midlands. It was called in support of BR employees who refused to handle coal trains during the miners' strike.

Courts could grant damages under the 1982 Employment Act, based on the size of the union concerned, of up to £250,000 against the NUR and £50,000 against the train drivers' union, Aslef.

Yesterday's action involved 12,000 Scottish NUR members. In addition, Scottish train drivers supported the stoppage by refusing to cross picket lines.

BR was concerned last night that the action would again damage customer confidence in the railways.

BR said last night: "There was no justification for strike action when talks on the future workload of British Rail Engineering had already been arranged with the trade unions next month."

The NUR responded by saying that the talks would amount to another lecture. "All they are going to do in the talks is tell us what difficulties they have, which we already know."

Syndicate warned on loss provisions

EXECUTIVES of an underwriting agency owned by Minet Holdings, the insurance broker, yesterday warned 400 Lloyd's underwriting members that "substantial provisions" were necessary for losses they faced from their investment in Lloyd's, writes John Moore, City Correspondent.

A letter has been sent to the underwriting members from the Richard Beckett Underwriting Agency, the Minet agency company that looks after their affairs.

The agency moved to curb rumours that have been circulating in the Lloyd's market that the losses members face might be as high as £100m. On the Stock Exchange yesterday the share price of Minet fell 24p to 250p as news of the losses emerged.

The 400 members are grouped in a syndicate – number 918/940/157. In the course of trading carried out on their behalf at Lloyd's by the agency's underwriters, the members face losses arising from U.S. casualty insurance business.

Members have been told by the agency that a preliminary annual review of the syndicate's results "indicate that further substantial provisions by members of these syndicates are likely to be necessary."

The agency says: "We are unable at present to form any view of the 1983 and 1984 (underwriting) years." It adds that it cannot form any view of the possible impact the losses might have on another syndicate under its management, number 618.

Accountants Arthur Andersen are engaged in an exhaustive investigation of the syndicate's affairs in an effort to uncover the full extent of the underwriting losses.

□ CHANGES in taxation for UK farmers led to a rush in new tractor purchases in the first quarter of this year. Registrations between January and March were 21 per cent higher at 7,476 units while in March the figure was 50 per cent higher at 3,504 units.

New tax rules reduced first-year capital allowances from 75 per cent to 50 per cent at the beginning of April. As a result, the Agricultural Engineers Association says that the seasonal buying pattern has been significantly distorted. For the year as a whole, however, the association expects sales of tractors to be some 5 per cent lower at around 24,000 units.

□ RIO TINTO-ZINC has found gas at Kirkby Smeaton in Yorkshire. Other companies involved in the discovery are Trafalgar House, Elf, Taylor Woodrow and James Finlay.

The find is considered unlikely to be commercially exploitable, but is seen as significant in proving the existence of new areas of hydrocarbon potential in mainland Britain.

□ BRITANNIA AIRWAYS, the biggest UK independent holiday airline, is cutting its staff by 350, or about 13 per cent, this summer because of the drop in demand for package holidays. The company, owned by the International Thomson Organisation, is also reducing its Boeing 737 fleet from 27 to 22.

□ BRITISH Technology Group (formerly the National Research Development Corporation) has about £20m cash and is planning to invest about £15m a year over the next five years in financing the development and exploitation of new technology, Mr Steven Dollond, marketing director of BTG, said in London.

□ THE CENTRAL Electricity Generating Board (CEGB) does not share the French electricity industry's enthusiasm about increasing the power lines across the Channel between Britain and France after next year's expected completion of a 2,000MW exchange system.

□ BANK union leaders are expected to order a ballot on industrial action in an attempt to raise a 5.5 per cent pay offer to staffs. A staff union at Barclays Bank, not affiliated to the Trades Union Congress, said it would ban overtime from May 1 in the absence of an improved offer.

Thatcher presses property tax reform

BY ROBIN PAULEY

MRS MARGARET Thatcher, Prime Minister, has already decided in principle to abolish both the domestic and non-domestic rates (property taxes) and has ordered detailed work on some form of poll tax, under another name, to take priority.

A ministerial meeting just before Easter to discuss the future of the rates moved much further than has been publicly indicated. The possibility of any form of local income tax as a source of revenue for local councils was firmly ruled out and no more work is to be done on the subject.

It was also agreed in principle to respond to the long-running complaints from the business community about the non-domestic rate. This will be abolished, if the Cabinet agrees, and be replaced by a uniform local business tax, set and levied by the Government. This may then be redistributed to councils as part of a revised grant system or allocated pro-rata to councils independently of the grant system.

Several ministers have argued that the domestic rates, although overburdened and in need of reform, are too good a tax to abandon. But Mrs Thatcher is determined to abolish them completely if possible. This would fulfill a long-standing personal ambition and pledges made several times since she became party leader 10 years ago.

Mr Patrick Jenkin, Environment Secretary, fully supports Mrs Thatcher's aim to abolish the rates although other departments including the Treasury, which has now got firm control of rate levels, have reservations.

Mrs Thatcher has ordered the Environment Department to work flat out on the problems so that ministers can meet her again in May to take decisions which will be taken straight to the full Cabinet for endorsement.

A white paper (policy document) will follow quickly, followed by legislation in the 1986-87 session of parliament to get the detailed proposals on the statute books before the next general election. But the new system would not start operating until after the election.

This strategy is designed to tempt voters to vote Tory to end the rates and get a fairer local tax while pre-empting the opposition from making claims about what might be in store.

The Government's grant system, widely criticised for its complexity and inconsistencies, is to be revised and simplified to put it on a basis related only to need and not tied in to local rateable resources. Grant allocations would be fixed regardless of a council's spending levels and the target and penalty schemes would be dropped.

In 1985-86 rates will raise £13.6bn of which £6bn will come from domestic ratepayers. To replace this with a poll tax would need £150 per head from the country's 40m adults. If pensioners and the poor were exempted the tax base would be narrower and the burden could rise to as much as £250 to £300 a head for those paying

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1983							
4th qtr.	103.5	98.1	100	109.9	151.4	2,941	162.0
1984							
1st qtr.	104.0	98.9	103	109.0	123.5	2,998	147.0
2nd qtr.	101.8	99.7	107	111.6	130.7	3,026	154.0
3rd qtr.	102.1	101.0	106	112.5	133.8	3,076	165.1
4th qtr.	103.3	101.1	103	115.1	164.0	3,103	166.5
October	102.8	100.4	106	113.6	140.3	3,100	170.5
November	103.3	101.2	103	114.4	150.2	3,102	167.6
December	103.8	101.7	102	117.0	194.1	3,108	161.3
1985							
January	105.2	101.3		112.8	135.4	3,128	157.2
February	105.0	102.2		113.9	132.0	3,148	156.1
March						3,147	159.2

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
4th qtr.	101.0	93.8	110.0	96.2	106.8	97.4	15.9
1984							
1st qtr.	100.2	93.7	110.5	96.1	113.5	95.9	16.5
2nd qtr.	101.4	95.1	105.3	97.4	106.1	96.9	17.8
3rd qtr.	102.1	96.7	104.5	99.5	109.4	97.1	16.3
4th qtr.	103.4	96.5	106.4	98.5	107.0	98.7	12.5
August	102.0	97.0	104.0	100.0	111.0	97.0	15.5
September	103.0	97.0	105.0	100.0	110.0	98.0	15.0
October	103.0	96.0	106.0	98.0	106.0	98.0	15.7
November	103.0	97.0	106.0	99.0	108.0	98.0	13.9
December	104.0	97.0	107.0	99.0	107.0	100.0	7.9
1985							
January	104.0	98.0	109.0	100.0	100.0	98.0	9.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
September	108.5	126.9	−887	−546	+577	96.7	15.26
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
January	116.5	118.2	− 76	+341	+928	96.0	15.52
February	121.5	124.4	−270	+131	+681	95.0	15.35
March							15.64

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	8.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.6	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
January	5.0	9.0	13.6	16.3	823	1,164	14.00
February	3.1	− 5.0	4.3	13.3	474	1,015	14.00
March					214		13.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.67	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
August	159.2	133.2	132.6	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.6
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February	164.6	147.6	136.6	362.7	332.5	295.73	71.3
March		145.6	137.3			295.22	73.3

* Not seasonally adjusted.

JOBS COLUMN

Big gap between industry and City banking

BY MICHAEL DIXON

HERE, for the second week in succession, comes a batch of the Jobs Column's spring salary indicators. The season has still another week to run. Next Thursday I intend to give some international comparisons of top executives' pay.

Today's figures are compiled from the latest of the Reward organisation's twice-yearly surveys, which is based on 17,007 items of pay information provided by more than 600 companies in Britain, predominantly in industry. The full survey, which won't be published until Monday, is obtainable from Reward (1 Mill Street, Stone, Staffs ST15 8BA; telephone 0785 814554) at £70.

While only seven days in terms of time behind the salary indicators for London banks' staff which I gave last week, the industrial pay figures are a good way further behind in terms of money.

The lag may be estimated from today's table which lists 16 different types of managers largely in industry. They would all normally rank immediately below directors in their particular specialism, although in small concerns they could be on the board while doing essentially the same work.

The left-hand two columns of figures give first the basic salary and then the total cash rewards including bonuses and the like of the lower quartile manager who would be a quarter way up from the bottom of a ranking of all in the same category. The next four columns refer to the median manager placed half way in the ranking, giving this year's salary and total rewards then the corresponding figures a year ago. Finally we have the current year's figures for the upper quartile executive a quarter way down the ranking. It is this year's median salary which decides where each job is placed in my league table.

As it shows, only two of the industrial types have a median salary of more than £20,000. They are advertising and public relations managers, and legal advisers.

By contrast, last week's figures for similarly ranked London bank staff indicated that no fewer than 36 different types of them had an average salary of £20,000-plus.

The grounds for comparison between the two sets of figures are far from perfect. Medians are not the same as averages, for one thing. More importantly Reward obtains its pay details for industrial managers from the companies employing them, whereas the figures for bankers were based on what they individually said they were being paid when they applied for a new job through the Jonathan Wren recruitment consultancy.

Moreover, whereas the bankers are employed in London, the industrial managers are spread throughout the country.

Pay can vary considerably with place of work. Among the managers covered by today's table, the median salary of those employed in Greater London was 15.8 per cent higher than the overall median. Other regional differences by the same yardstick were: higher—Scotland including the oil areas by 8.6 and south-east England by 1.4 per cent; lower—north-west by 0.3 per cent, north-east by 5.2, south-west by 5.8, eastern counties by 5.9, and West Midlands by 14.2 per cent.

Pay also varies wih size of employing organisation. In terms of the industrial companies' turnover, for instance, the variances on the median from the £16,000 overall figure were: higher—£100m plus by 23.6 per cent, and £40m-£100m by 9.4; lower—£5m-£15m by 1.6 per cent, £15m-£40m by 2.0, and up to £15m by 9.4. In addition, to compensate for the delay between the collection and publication of the survey data, all figures in the table should be increased by 2 per cent.

Where the bankers are concerned, I have no figures for variances by size of employer or for time lag. Differences in perks are hazy. While industrial people may have the edge in company cars—which are supplied to about 70 per cent of the managers ranked immediately below director—the bankers seem to do far better by way of subsidised mortgages and suchlike.

But despite the discrepancies, it seems safe to say there is a big gulf between the rewards of comparably ranked people in industry in Britain on the one hand, and in City of London banking on the other. Judged by signs of continuing shortages of key staff in the City, the gap will go on widening.

The root problem, as I reported last week, is apparently that as competition has sharpened the banks have shrugged off many staff as inadequate. The ditching of the bathwater has left them collectively without enough babies to go round. In an effort to snatch them from one another, banks are hiring headhunters, who in many instances aren't viewed by banks' personnel managers as providing value for money.

That report has stimulated a flood of letters from headhunting consultancies. None of them, strangely enough, admits it is milking banks for every penny it can get. Instead all assert that there do exist consultancies which give good value — including the one sending the letter.

Their best objective advice to company personnel managers is that before hiring a consultancy they should make it spell out precisely how it will tackle the assignment and how much it expects to be paid for achieving what at each stage.

But banks' personnel chiefs might also do well to start extending their searches more widely beyond people already in banking, and get rid of an apparently strong age-prejudice. Numerous other letters received this past week accuse banks in general of refusing even to consider anyone over about 45.

Most senior manager below rank of director* in:	Lower quartile Basic salary £	Lower quartile Total money reward £	Median Basic salary £	Median Total money reward £	Median (Basic year earlier £	Median Total year earlier) £	Upper quartile Basic salary £	Upper quartile Total money reward £
Advertising & PR	16,594	16,730	22,877	24,417	(—	—)	26,143	27,362
Legal advice	16,085	16,085	20,500	20,690	(18,101	18,346)	24,174	24,174
Scientific department	14,695	14,803	17,681	18,034	(15,732	15,732)	22,500	22,550
Finance & accounting	16,252	16,500	18,500	19,000	(16,880	17,250)	22,000	22,492
Company secretarial	14,500	14,600	17,166	17,636	(15,470	16,425)	20,321	21,079
Marketing	14,106	14,473	16,550	17,124	(15,750	16,000)	19,863	20,500
Computing	14,030	14,307	16,371	16,485	(15,030	15,377)	19,001	19,827
Research & development	13,967	14,000	16,100	16,275	(14,910	15,000)	19,054	19,913
Personnel	13,500	13,688	15,950	16,376	(14,364	14,809)	18,837	19,479
Sales	13,500	13,904	15,800	16,382	(14,680	15,500)	19,002	19,817
Engineering	14,279	14,672	15,551	15,858	(14,575	14,841)	17,535	17,739
Management services	13,250	13,250	15,500	15,500	(—	—)	19,000	19,000
Administration	12,000	12,675	15,010	15,678	(13,923	14,105)	19,238	19,479
Quality assurance	12,747	13,857	14,770	14,978	(13,161	13,161)	16,625	17,742
Production	12,696	12,961	14,610	14,900	(13,760	14,000)	17,490	17,743
Purchasing	13,293	13,659	14,280	14,932	(14,100	15,030)	17,195	17,463
All top-rank managers	13,860	—	16,000	—	(15,000	—)	19,169	—

* In smaller companies could rank as director, otherwise reporting directly to Board level

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The Scottish Milk Marketing Board is a £200 million turnover organisation employing around 900 people and charged with three main functions for the dairy industry. Most significantly, it is concerned with the marketing of milk from over 2,600 producers to first buyers but also manages creameries and transport depots and provides a range of support services to registered producers.

The current Managing Director — Ian A. McAlpine, O.B.E. — will be retiring at the end of 1985 and a successor is now being sought for this position which, in addition to having considerable financial and managerial responsibilities, also involves wide ranging contact in the Dairy and Agricultural Industries and with government bodies, both in the UK and overseas.

To be a candidate, you should be educated to degree standard and have had a varied career in commerce or industry at a senior level where achievement of specific financial and business objectives against an agreed strategy has been an integral part of your remit. You should be aged 40-45 with considerable experience of negotiation at a senior level in industry and with government and, very necessarily, you will have a creative mind which allows the practical development of marketing initiatives.

Salary for this position will be negotiable from £30,000, supported by a comprehensive range of benefits, including company car and relocation assistance to the West of Scotland if appropriate.

Write or telephone for an application form or send detailed c.v. to R.J. Cleland, as adviser to the Board, quoting **ref: GM88/9271/FT** on both letter and envelope.

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Corporate Treasurer

for International PLC — London

Our Client, an international public limited company is looking for someone to fill this key appointment within a small Head Office management team.

Reporting to the Group Financial Controller, you will have responsibility for the treasury function; in particular funding requirements, negotiating and co-ordinating facilities, controlling limited foreign exchange positions, monitoring and reporting on cash flows.

Aged 32 to 45 you must have a proven track record in international treasury management gained in industry or in a bank and the ability to work closely with senior internal and external managers and advisers. The ability to produce accurate results within a fast moving environment coupled with good communication skills is essential.

The starting salary is negotiable. The working conditions are first rate, and the comprehensive benefits include share schemes and a company car.

Confidential Reply Service: Please write with full CV quoting reference 1923/RS on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will conduct the interviews. Charles Barker Recruitment, 30 Farringdon Street, London EC4A 4EA.

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INTERNATIONAL BANKING

FINANCIAL ANALYST **to £17,000**

Our client is a major merchant banking group providing a full range of specialist financial services.
Continued business expansion has created a new opportunity for a young Accountant to work with the Group Financial Controller. Responsible for the analysis of group results and providing control data to senior management, this high profile role offers scope and flexibility within a growing organisation. Suitable candidates should be recently qualified Chartered Accountants seeking a career move into international banking.
Contact: Felicity Hother.

QUALIFIED ACCOUNTANT
Investment Banking **£14-15,000**

Our client, one of the premier forces in investment banking, is strengthening its accounting team through the appointment of a young qualified Accountant, ideally with some experience already within banking. The appointee will be responsible for management accounting and reporting; preparation of budgets and plans; and coordination of accounting policy and reporting throughout Europe. The position carries considerable responsibility also for the development of policy towards new products and banking areas, and involves some exciting non-routine projects as a result.
Contact: Kevin Byrne.

PART-QUALIFIED ACCOUNTANT
Banking Projects **to £13,000**

We are recruiting for a major international bank enjoying rapid growth in several new product areas. They seek a bright and imaginative part-qualified Accountant to work in an 'ad hoc' role dealing with the development of accounting systems for new products and subsidiaries, and also to undertake a range of special projects. Candidates will only be considered if they have had previous banking experience and must be skilled enough to become involved in the technical assessment of accountancy problems. The role is 'high visibility', dealing with a range of senior management, and should certainly carry career prospects beyond this post.
Contact: Sarah Beaumont

MANAGEMENT ACCOUNTS ASSISTANT **to £9,000**

This major international bank is developing its management information and reporting services, and requires a young accounts professional (aged c.25), to assist in this area. Candidates should have had relevant experience in banking, ideally in an operations/accounting environment. Exposure to Personal Computers would be a considerable asset. The position involves responsibility for monthly reporting packages, loans and profitability reporting, and aiding in the development of reporting systems. It requires a combination of numeracy and imagination, and will carry excellent career prospects for the right candidate.
Contact: Sarah Beaumont

Anderson Squires Ltd, Bank Recruitment Specialists
Blomfield House, 85 London Wall, London EC2 01-588 6644

Anderson, Squires

MAJOR INVESTMENT OPPORTUNITIES

TO £35,000

Our Clients, an established U.K. investment institution, are recognised as being amongst the best performing within their sector. They are now experiencing substantial growth of existing business and also seek to expand through diversification and acquisition.

We are seeking on their behalf, high calibre graduates and professionals who are keen to accept the challenge and rewards offered in the following key positions.

INTERNATIONAL FUND MANAGER to £35,000 — An international equities specialist with several years' experience in one or more Pacific Basin markets. The position will involve travel and the job holder will be expected to make an important contribution to investment strategy decisions.

INVESTMENT ANALYST to £20,000 — A U.K. Equity Analyst with a strong research orientation and dealing experience. Ideally the job holder will have a sound knowledge of one or more industrial sectors.

The above positions offer candidates the opportunity to work in a stimulating environment where further personal and professional development is actively encouraged.

If you would like to discuss in strictest confidence either of the above positions or if you consider your skills may be of interest to our clients during their current programme of growth, please write to, or telephone:
Derek A. Burn, MCP Consultants, Halton House, 20 Holborn, London EC1N 2JD (01-405 9000)
to arrange an informal discussion.

MCP Consultants
Financial Sector Human Resources

ASSISTANT TREASURER

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The role of the Treasury Department is to co-ordinate a number of the critical areas of the financial management activities of both the UK and European operations. This includes cash management, tax planning, foreign exchange exposure management, legal structuring, the preparation of reports for our American parents and cash flow forecasts.

The successful candidate will be of graduate calibre and a recently qualified Chartered Accountant. Post qualification experience is not essential, more important is the ability to communicate your ideas to all levels of management together with a creative attitude to finance and commercial business management.

In return, you can expect a competitive salary and a benefits package commensurate with a major company plus the opportunity to develop your career in European and American financial and business practices in this highly visible role.

Please send full C.V. to:-

Jennifer A. Cockings,
Personnel Manager,
Bell & Howell Ltd.,
Alperton House,
Bridgewater Road, Wembley,
Middlesex HA0 1EG.
Tel: 01-902 8812.

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Economist: Seeking a Career in Investments

The development of our Fund management business requires additional expertise in the fixed interest and currency markets. The successful applicant will be expected to contribute to the Fixed Interest team formulating economic and market analysis and assisting in managing client portfolios.

He or she will have a good degree and probably at least two years experience as an economist/analyst in an investment or banking environment.

This is a challenging opportunity for the right candidate and a competitive package will be offered. Foreign & Colonial Management Group is one of the oldest and best established investment groups in the City of London. With over £1,000 million under management the Group manages the portfolios of investment trusts, unit trusts, pension funds, charities and private clients.

Apply in confidence to Adam Parkin, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4. (Tel: 01-623 4680).

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MANAGEMENT GROUP

City Corporate Finance

£26,000+benefits

Our client is a small City Issuing House with a first class reputation for specialist Corporate Finance work.

In order to continue its programme of forceful expansion, a further Corporate Financier is required to fulfil a highly challenging role.

The position demands an individual with at least two years City Corporate Finance experience. The successful candidate will be a self starter who will relish the challenge of playing a key role in the department.

An attractive salary and benefits package will reflect the importance of this appointment. Promotional prospects will be excellent.

Interested applicants should write, enclosing a comprehensive curriculum vitae, to **Neal Wyman BSc ACA,** Manager, Corporate Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref: 4317, or telephone him on **01-404 5751.**

All applications will be dealt with in the strictest confidence and an informal discussion will precede submission to our client.

MP

Michael Page Partnership
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Senior Lending Officer

Accelerate Expansion

Do you have a proven track record in developing new business with corporate customers? If so, use your experience and innovative skills to maximise your career potential by expanding the customer base of the London Branch of this major international bank.

This is a new position and your main responsibility will be to market the bank's products to existing and potential customers primarily in the UK. You will have the opportunity to significantly influence the direction of new business and contribute to new product development.

Aged in your 20's or early 30's you have at least two years' front line calling experience, good credit skills and a broad knowledge of loan related proposals and documentation. Personal strengths include commercial acumen, good communication skills, flexibility and determination.

Attracted by increased responsibility and the chance to work as a key member of this growing department you will benefit from being part of a major international bank which has a wide network of subsidiaries and affiliates. With substantial UK expansion plans there are good prospects for advancement and a rewarding long term career. Salary is negotiable commensurate with experience plus excellent banking benefits.

Please apply enclosing a CV to Barbara Lord, Senior Consultant, Cripps, Sears and Associates Limited, Personnel Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

COMMONWEALTH BANK OF AUSTRALIA

SENIOR AS SPOT DEALER

An experienced Spot trader is required to assist in expanding our forex dealing operation in London.

Ideally candidates will be aged 25/30 and have a minimum of three/five years' experience in Spot trading (preferably in the Australian dollar or similar markets).

Competitive salary commensurate with experience plus benefits.

Please send full career details, in confidence, to:

I. P. Greig, Staff Manager
Commonwealth Bank of Australia
8 Old Jewry, London EC2R 8ED

for Senior Insurance Executives

Citicorp Insurance Brokers are planning a major international programme of expansion following the acquisition of Brandts Insurance Brokers at Lloyds.

LONDON

Senior managers/teams are required to operate within the Reinsurance, Non-marine US and Aviation markets. Substantial remuneration and unrivalled career prospects will be offered to the managers and executives filling these key positions.

OVERSEAS

Senior managers are required to assume chief executive responsibility in opening and running new offices in Greece, Turkey, The Phillipines and Malaysia.
Overseas experience is essential and the successful candidate will be 35+, with a minimum of three years experience in a management role. ACII or FCII qualifications are required.

INDONESIA

A Junior Manager is required to assume responsibility for training in Citicorp Insurance's Indonesia office. The successful candidate will be 27+, with ACII qualifications and a minimum of 5 years experience in the London insurance market.

For the overseas positions Citicorp offers a full expatriate package and excellent career prospects.

For further information on these exciting new career opportunities write in complete confidence, enclosing c.v., to:

Ian MacInnis, Finance Director
Citicorp Insurance Brokers Limited
St Clare House, 30-33 Minories, London EC3N 1DD
or for more information on an informal, confidential basis telephone Peter Dove on 01-438 1148

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Write Box A8966, Financial Times
10 Cannon Street, London EC4P 4BY

GENERAL MANAGER

City-based finance company seeks General Manager to deal with its Trade Finance and Investment Options, Group Portfolio and existing finance business.

The successful applicant will ideally be a mature person of considerable experience with good banking contacts. Salary negotiable.

Please write with full C.V. to:

P.O. Box 413
London W8 6JA

Marketing and Business Development Manager

Pension Fund Investment

£attractive + car + banking benefits — City

Our client, a well-known Merchant Bank, is strengthening the marketing and business development side of its Pension Fund Investment activities. As a result they are seeking to recruit a highly energetic Manager who will, within an already broadly defined marketing plan:

- increase the market's awareness of the Bank's Pension Fund Investment capabilities.
- sustain a high profile by maintaining continuous contact with Benefit Consultants and Advisers.
- develop marketing openings and exploit all opportunities to the point of shortlisting/presentation.

The successful candidate, probably in their early 30's, and of graduate calibre, may be an existing Benefits Consultant or performing a similar marketing role for an Investment Department in another Financial Institution.

Highly developed human relations and selling skills are vital, along with high energy and enthusiasm to drive the marketing effort through the more routine activities, as well as the more creative ones.

The remuneration package includes an attractive base salary plus profit share, car, subsidised mortgage scheme and the usual range of Merchant Banking benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Michael Hordern ref. B.1973.

This appointment is open to men and women.

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A leading International Futures Broking Company is seeking a person to head up its option team and develop an already expanding business.

The candidate must be conversant with options, be numerate and inventive with the ability to develop strategies for a wide customer base from commercial hedgers to private speculators in commodity, currency and interest rate markets.

The ability to write the necessary computer programmes for the pricing of options would be an advantage.

Salary negotiable according to age and experience.

Please reply to: Justin Downes
Financial Strategy Ltd.
19/20 Old Bailey
London EC4

CANADIAN IMPERIAL
BANK OF COMMERCE

Oil & Gas Manager

Canadian Imperial Bank of Commerce is a leading international bank with assets of 68 billion Canadian Dollars and an established UK operation for more than 120 years.

Our Oil and Gas Department is responsible for the development of financing opportunities for oil and gas business with an emphasis on project related lending throughout Europe, the Middle East and Africa. The past success of these efforts has resulted in a substantial increase in business and in response to this we now wish to appoint a Manager who will assume the role of deputy head of the department.

We seek an ambitious self-starter, probably aged mid thirties with 5-7 years corporate and project financing experience, at least three of which should be in the oil and gas sector.

We offer an attractive benefits package and a remuneration level commensurate with the experience and qualifications of the successful applicant.

Please apply in writing, with a detailed CV indicating desired remuneration level to:

Ron Waugh, Personnel Manager
CANADIAN IMPERIAL BANK OF COMMERCE
55 Bishopsgate, London EC2N 3NN

VACANCY FOR PART-TIME EXECUTIVE CHAIRMAN

A new International trade promotion company requires the services of a part-time Executive Chairman with the following requirements:

1. The prospective candidate must live within easy daily travel into central London.
2. The prospective candidate must be able to devote two or three days a week to their job at our offices.
3. The prospective candidate must have had a demonstratable successful career in marketing and give leadership to a small group of executive marketing staff.
4. The prospective candidate will be expected to lead the formulation of an active, aggressive marketing strategy.
5. The prospective candidate will also act as Chairman of a small Company Board.
6. We shall be looking for a candidate aged between 45 and 60.

Write in confidence to:
"THE ADVERTISER/CCO/COL"
14 Sherlock Mews, London, W1

CAPITAL MARKETS — £Neg

A highly prestigious, rapidly expanding European house seeks to meet capital market personnel with experience in the marketing (mandate seeking), execution and syndication of bond and euronote deals. Highly competitive salary benefit packages will be negotiated for selected candidates.

SWAPS — from £30,000

An important career development opportunity is offered by a major Institution to a bond based swaps executive with current exposure, either marketing or execution based, in interest rate and currency Swaps.

BOND TRADING — neg c£50,000

A major London house seeks a US $ Straights Trader to make markets. This is a new position ideally suited to an experienced Trader aged mid 20's seeking a progressive and challenging career move.

For the above vacancies
Please Contact: Bryan Sales

CREDIT MANAGER — to £27,000 + Car + Bank Benefits

A major Bank seeks a senior US credit trained Analyst with proven experience of large company balance sheets and transactions in the £1m — £10 million deal range. Pre-requisite qualities are a knowledge of various financial products such as asset finance, venture capital in addition to straight eurocurrency lending coupled to some European experience. Ideally the appointee would have some exposure to marketing coupled with French or German linguistic skills. Age range 30-35 years.

Please Contact: Brian Gooch

NO.1 SALES-AID MARKETING — £25,000

The established leasing division of a major British Merchant Bank is currently seeking an experienced sales-aid specialist. Reporting directly to the overall head of the leasing activity the successful applicant will be primarily involved in marketing the organisation's vendor programmes as well as overseeing the associated documentation and administration procedures. Candidates, in their early thirties, should be able to demonstrate a successful track record in all aspects of sales-aid leasing as well as having a first class professional image. Prospects, including possible promotion into the parent Bank, are excellent.

Please Contact: Peter Haynes

INTER-BANK/CORPORATE AND MONEY MARKET DEALERS — £ above market rate

Our client, a leading International Bank, is seeking several young talented dealers who should be able to cope with the high level of responsibility and pressure which their operation demands. The bank will offer substantial salary packages to those candidates revealing the necessary potential and commitment.

Please Contact: Trevor Williams

All applications will be treated in strict confidence.
JONATHAN WREN & CO. LIMITED, 170 Bishopsgate, London, EC2M 4LX.
Tel: 01-623 1266

Jonathan Wren
RECRUITMENT CONSULTANTS

International Securities Sales and Marketing

A major U.S. international bank with a long established presence in London has several exciting new opportunities to offer due to the continuing expansion of its worldwide Securities business.

International Securities – Sales: Applicants should be graduates with at least three years' general financial product sales experience. An International and U.S. Domestic Securities background would be a distinct advantage. Candidates, with excellent verbal and written presentation skills, will ideally have some knowledge of modern European languages.

International Securities – Marketing: This position demands a similar background to the above, together with a past success record in the development of trust and agency business among issuers in international Capital Markets. The ability to advise on all aspects of marketing strategy and planning is also required.

Remuneration packages will include excellent benefits and those who feel they have the necessary qualifications, ability, drive and initiative, should contact **Chris Smith on 01-404 5751** or write, quoting ref. 3493, enclosing a comprehensive c.v., to the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, indicating any banks to which you would not wish your details to be forwarded.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

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REUTERS REUTERS REUTERS REUTERS

REUTERS INSTINET

Sales Manager

c£35,000

REUTERS recently announced an agreement with Institutional Networks Corporation to market the INSTINET service in the UK and Europe.

Instinet operates a computer system, which enables the automated execution of transactions in US equities, ADR's and options.

The system offers simultaneous two way trading communications with the execution of transactions being completed automatically within seconds together with hard copy confirmations at both ends of the deal.

The plan is to offer initially the service to the UK. It will then be extended progressively to other countries in Europe and the rest of the world outside the US.

In order to capitalise on this significant opportunity Reuters is now building a dedicated commercial team and seeks to make the key appointment of Systems Sales Manager.

Relevant candidates should be able to demonstrate a thorough understanding of the US equities and options markets, probably gained whilst active as a dealer or broker. This experience will be utilised in developing the UK and European broker and institutional markets and also in training and supporting specialised sales forces in the Reuter sales offices throughout Europe.

Although previous information systems sales experience would be a distinct benefit, it is much more important for candidates to have an intimate knowledge of the markets to which the system will be sold and have the ability to adapt and utilise this experience in a sales and marketing role.

In addition to a high salary with commission, the benefits of a company car, medical care and pension scheme are also provided.

Applicants of either sex should apply in confidence to Hugh Dixon on (0962) 53319 (24 hour service) or write to Johnson Wilson & Partners, Clarendon House, Hyde Street, Winchester, Hampshire SO23 7DX, quoting reference 588.

Johnson Wilson & Partners
Management Recruitment Consultants

REUTERS REUTERS REUTERS REUTERS

Director of Business Affairs

London **from £35,000**

A well diversified and strongly financed group requires a highly accomplished financial executive to give strong commercial support to the chief executive of a rapidly developing £50m. capital subsidiary.

The company has harnessed outstanding technical resources and backing in its early development phase. This appointment is seen as vital to ensuring that future development in its services sector is guided by astute financial management and advice.

Senior financial executives, c.40 upwards, should offer substantial experience in medium sized industrial/commercial environments with a wide span of responsibilities. Subsequent general management experience could well be a plus. Personality must add weight and leadership to a strong professional team.

Write, in confidence, quoting reference 2437/L, to M. R. P. Blanckenhagen, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD, describing how your present aspirations respond to this requirement and enclosing career details.

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Other

Senior Corporate Finance Executives, Economists and Unit Trust or Pension fund marketers.

Whether you are actively looking to move, or would simply like to be kept informed, please contact us in total confidence: Fiona Stephens, Anthony Innes, Simon Kennedy, Anna Robson.

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International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

ASSISTANT CREDIT MANAGER

To play a major role in the development of sophisticated credit facilities

This senior appointment calls for an ambitious young professional looking for increased responsibility within the progressive environment of a top international company.

Credit control with Motorola – the UK's leading manufacturer of communications equipment and the major supplier of infrastructure to the Cellnet cellular system – is, of course, an extensive and rapidly expanding operation.

As Assistant Credit Manager reporting directly to the Credit Manager, your brief will reflect this wide-ranging diversity.

It involves the supervision of circa 1200 accounts including a recently appointed dealer network, co-ordinating the activities of 4 Credit Controllers, and making a major input into the design and implementation of new credit facilities.

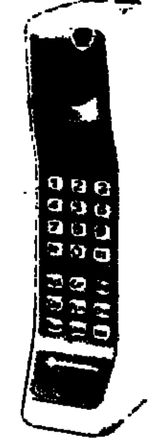
Naturally, the demands of the role call for an experienced credit control specialist.

You should be a highly motivated young man or woman, aged 25–30, who's both a graduate (or equivalent) and either a member of the ICM or similarly professionally qualified.

Your 3 years' + in Credit Control with a major finance/multinational company should be complemented by the incisive business skills to take advantage of career opportunities as they arise within our expanding Company.

In return, Motorola offer a progressive salary enhanced by the range of benefits to be expected from a major multinational company.

Please forward your c.v. in confidence, quoting reference: 15/FT,
to: Sue Boxall, Personnel Department, Motorola Limited, Jays Close,
Viables Industrial Estate, Basingstoke, Hants RG22 4PD.



MOTOROLA
Communications Group

EXECUTIVE DIRECTOR

Licensed deposit taker

£40,000 plus

A rapidly growing licensed deposit taking company in London is looking for a dynamic and energetic person with at least 15 years experience in domestic and international banking to take over as executive director. The position provides excellent opportunity for creative work and growth. Ideally the applicant should be currently earning at least £40,000.

Write latest by both April 1985 to Box A8968, Fninancial Times, 10 Cannon Street, London EC4P 4BY.

LONDON BRANCH of important Latin American bank requires Accountant, relevant experience and qualifications essential. Good knowledge of Spanish required. Excellent salary and benefits, well in line with City of London practice. Please telephone Marilyn Allen, 236 1751.

GLC
Working for London

Central Computer Service

A long standing and committed user of advanced hardware and software technology, *the GLC's Central Computer Service (CCS)* has never been slow to respond to technological change. This creates an exceptionally challenging environment for senior specialists with a sound understanding of large authority financial procedures.

Finance Officer

To lead the co-ordination, preparation and monitoring of data processing budgets, including management of accounts and provision of top level financial advice to departmental management.

In addition to sound organisational abilities and a flair for departmental finance and accounts work, this post demands considerable initiative in shaping financial arrangements to support the Council's rapidly developing D.P. functions.

Salary: £16,629 - £18,489 inclusive.

Deputy Finance & Administration Officer

This post takes particular responsibility for the planning, co-ordination and administrative support for the data processing budget cycle and also for administering and co-ordinating major new CCS programmes, including the implementation of welfare benefits computing initiatives.

Sound team leadership and organisational abilities are required with the capacity to identify and provide practical advice on the management needs of a service department.

Salary: £14,781 - £16,545 inclusive.

LONDON AGAINST RACISM

The GLC is an equal opportunities employer. We invite applications from women and men from all sections of the community, irrespective of their ethnic origin, colour, sexual orientation or disability, who have the necessary attributes to do the job.

For an application form, to be returned by 3rd May 1985, write to: GLC Central Computer Services Department, Room 693, The County Hall, SE1 7PB or telephone 01-633 6089.

These posts are suitable for job sharing

INVESTMENT ANALYSTS

We are an international mutual insurance group specialising in life assurance and pensions, currently undergoing rapid expansion in the UK, with managed assets in excess of £4 billion.

Due to internal promotions and the introduction of a unit-linked product range we have openings in our principal UK office in Poole, Dorset. The Poole/Bournemouth area is one of the fastest-growing commercial centres in the South of England and is situated in an area of outstanding natural beauty, rich in local history.

It is likely that the successful candidates will be in their mid-twenties, have a suitable business-related degree or professional qualification and have not less than two years' investment and analytical experience. These appointments offer a considerable challenge and opportunity for early advancement and will involve frequent travel to the City. Salaries will reflect age and experience and the usual fringe benefits associated with a progressive Life Office will apply. Relocation assistance will be given, if appropriate.

For an application form please write to:—

Sally Hayward
Personnel Officer
The National Mutual Life Association of Australasia Ltd
N M House
Serpentine Road
Poole
Dorset
BH15 2BH

SEN. SPOTS — BAHRAIN

An experienced dealer with a minimum of 5 years' active trading in the spots is sought for an International Bank in Bahrain. Track record to date should be excellent, having been gained with rooms noted for their activity in the markets. Preference will be given to single status candidates. Salary neg. a.a.e.

TREASURY SERVICES — MID. EAST

Our client is a prestigious International Bank based in the Middle East. They currently seek an additional treasury specialist to complement the existing team. It is envisaged that the appointee will be educated to MBA standard and will have at least 4 years' experience with a prime name insitution, probably in Europe or the USA. Wide range knowledge of treasury instruments, etc will be required and candidates should be able to demonstrate a high degree of innovation. Salary c US$60,000 neg.

SPOT DEALER — LONDON

Active International Bank offer sound opportunity to a young spot dealer to join their existing team. The appointee will have had at least 3 years' active spot dealing experience in most major currencies and specific expertise/interest in Yen would be an advantage. Salary to c £25,000 a.a.e.

Please contact Dudley Edmunds at:—

THE ROGER PARKER ORGANISATION,
65 LONDON WALL, LONDON, EC2M 5TU.
Telephone: 01-588 2580 or Telex: 811725 CITLON G

Leasing Administrator

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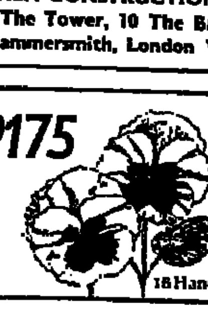

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UK NEWS

The Aitken Hume way from A to Z

By Charles Batchelor

THE RECENT abortive merger talks between Aitken Hume, the fund management and banking group, and Fleet Holdings, the owners of Express Newspapers, have added to the City's uncertainty about what Aitken Hume is and where it is going.

The close involvement of Timothy Aitken, chief executive, and his cousin and Aitken Hume chairman, Jonathan with attempts to rescue TV-am, the problem-laden breakfast television channel, had already blurred the company's image.

The Aitkens' apparently successful struggle to restore TV-am's fortunes kept them in the public eye but left many in the City wondering how much time they had left to devote to the less glamorous task of managing other people's money.

"We were impaled on the back of TV-am in 1983-84," Timothy Aitken acknowledged. "People said incessantly that Aitken Hume was involved in TV-am. It was not. TV-am was a private investment by our family."

Problems at two companies Aitken Hume recently brought to market, Chemical Methods Associates and Security Centres (Holdings), and an unsuccessful rights issue have combined with the image problem to put Aitken Hume on a lowly stock market rating.

Nevertheless, Timothy Aitken believes that the purchase in October 1983 of National Securities and Research Corporation, a New York-based fund management company, for nearly $33m has put Aitken Hume firmly on course as an investment manager.

The National purchase appears to have started a change in the City's perception of Aitken, though it has not removed all the doubts. What National did do however was to bring in an investment portfolio worth $1.5bn and push Aitken into the big league of UK fund managers, alongside established groups such as Henderson Administration and GT Management.

If the City was surprised at the scale of Aitken Hume's ambitions in taking on National, it now regards the purchase as a sensible one.

Aitken Hume has a short history, starting in 1977, when the Aitkens bought control of Investment Intelligence, a unit trust group.

In 1980 the Aitkens went on to buy Aberdeen Investments, a publicly-quoted investment trust, and then absorbed Hume Corporation, a banking group. Aberdeen was renamed Aitken Hume.

In 1983 came a move into North America with the purchase of National, a publicly-listed group with a spread of mutual pension funds.

Aitken Hume had been looking for a way into the U.S. financnal services market for some time and decided the investment management sector was the best approach. But the path was not smooth.

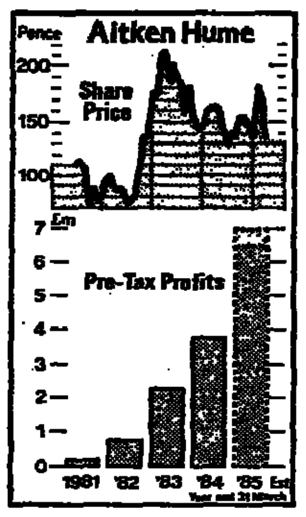
The company's initial target, a privately-owned fund manager, agreed a deal with another U.S. group five days before completing takeover negotiations with Aitken Hume.

Once the National purchase was sewn up Aitken set about reviving what had become a very sleepy company.

Despite the size of its investment portfolio National still took the old-fashioned Wall Street ticker tape in its dealing room. It had only two Quotron stock price screens in its offices and the company's telephone switchboard did not allow staff to make international calls from their desks.

"Within four days of the ink drying on the contract we removed most of the analysts and the people at the top of the company. We shifted younger people around and reorganised the offices," Timothy Aitken said.

Mr Geoffrey Hyde, Aitken Hume's top marketing man, was



despatched full-time to the U.S. and National, which had previously followed up other fund managers' ideas by devising and launching new funds of its own.

"We are investment managers first and foremost," Timothy said. "I don't think the company was ever a merchant bank but the acquisition of National confirmed that thinking. I believe National will be the making of Aitken Hume."

That may be so but the £17m rights issue of three new shares for every two which Aitken Hume used to fund a large part of the National deal flopped badly.

The underwriters were left with 59 per cent of the issue and many people in the City were left with a rather jaundiced view of Aitken Hume. In just 18 months the company has expanded its equity base from 6m to 34m shares.

"They issued paper at a high price and people lost money," said one analyst. "They gave the impression of being men in a hurry who cut a few corners."

National brought in an investment portfolio worth $1.5bn though Wall Street's recovery and the launch of new funds has increased it to $2bn. This compares with £150m worth of funds managed in the UK.

These activities now dwarf the banking services division, which offers such things as money market interest accounts and bridging finance for investment clients and professional advisers.

Fees from fund management are expected to provide nearly three-quarters of the £6.5m-£7m profits brokers anticipate for the year ended March 31. This represents a near-doubling from the £3.8m profit in 1983-84 and compares with just £107,000 in 1980.

National has proved adept at adding on new funds to its existing portfolio at minimal cost and is expected to contribute £3m-£3.5m towards Aitken Hume's 1984-85 profits.

The corporate finance activities are now being reined in. "We tried to build up our corporate finance function," said Timothy Aitken. "But mistakes came through and we realised the sieve had to be finer. A corporate finance department spends 80 per cent of its time chasing things which don't seem to come to anything. We don't need it any more."

In May 1983, Aitken Hume brought Chemical Methods Associates, a U.S. dishwasher manufacturer, to the Unlisted Securities Market. The company failed to meet its profits forecast and it felt obliged to offer to repay shareholders their money.

Security Centres (Holdings), a security alarms group which Aitken Hume brought to a full stock market listing in January 1983, turned sour at the end of last year.

A plan by Security Centres to sell its core UK business to a rival wiped 30 per cent off the value of its shares. The deal was later called off but the share price has not recovered.

With National under its belt where does Aitken Hume go now? Profits are flowing strongly from the fund management business and Aitken has plans for a cash acquisition on the financial services field.

"We are looking for a link with an insurance company which could be integrated with our investment business in London," Timothy said. "It would make good sense for us to offer a package of financial services."

Which brings us back to Fleet. Where did these merger talks—effectively to arrange a takeover of Aitken Hume by Fleet—fit into the pattern?

The approach was widely regarded as a defensive move by Fleet to make more difficult a takeover by its new 21 per cent shareholder United Newspapers. United has since declared its intention of making a bid for Fleet, provided it can get clearance from the Monopolies and Mergers Commission.

The Fleet discussions raised the intriguing prospect of renewed links between the Aitkens—Timothy and Jonathan are respectively grandson and great nephew of the late Lord Beaverbrook — and the newspaper empire Beaverbrook founded.

Aitken saw the approach as a chance to create a financial services arm within the Fleet empire with the strong financial backing this would give his company.

But the deal fell through on the price Fleet was willing to pay and the opposition which could have been expected from United and a number of other shareholders.

Timothy Aitken is not opposed in principle to injecting his company into a larger group but he sees no other possible partner which would fit as well as Fleet.

"I don't say we are not interested in our independence but if you can see a way of going from A to Z without going through all the other letters of the alphabet why not take it," he said.

The City is still not entirely happy with the scale of Aitken's ambitions though he has been attempting to convert the broking and investing communities.

"I think they have learned some lessons and are getting rid of the problem sides of the business," commented one analyst

EUROPEAN BUSINESS

John Wicks reports from Zurich on an international hotelier's struggle

Setback for Nova-Park in battle to ward off insolvency demand

NOVA-PARK, the Swiss hotel group, is faced with extinction. A Zurich judge yesterday declared the company bankrupt on a claim of nearly SwFr 60m ($24m) by Credit Suisse. An appeal can be made within 10 days, but there sems to be little chance for the heavily-indebted Nova-Park to keep going.

In the early '80s, Nova-Park was one of the most talked about companies in the hotel business. The Swiss founder, Rene E. Hatt, who had broken new ground in Zurich some 10 years earlier with a hotel designed as a "commercial and community centre with multiform structure," suddenly emerged as a jet-set favourite.

With Middle Eastern support, his company had inaugurated the extravagant Nova-Park Elysees with its $5,000-a-night *Presidential Suite in Paris*, as well as taking over the luxury La Perouse there and the former Paris Sheraton. It was managing the Green Pyramids, built up around a former actor's villa in Giza, and the Alhamra Nova-*Park in Jeddah. New York's* select Gotham on Fifth Avenue was being rebuilt, while the group planned further projects elesewhere in the U.S. and in Beirut.

As recently as January, 1983, *Mr Hatt was confident that all* was well. He forecast 1983 turnover of more than SwFr 200m ($89m) and disclosed that investments to date had reached SwFr 680m. Following a capital increase late the previous year, paid-up share capital had risen to what the company called an "impressive" SwFr 210m. All seemed set for Nova-Park to achieve its goal of opening a new hotel every year.

Only rather more than a year later, Nova-Park needed a "provisional injection" of a modest $1.5m while new equity could be raised. Total liabilities, covered only partially by assets, then ammounted to some $260m; as of December 31, 1983, auditors had put net indebtedness at SwFr 214m.

All sorts of things had gone wrong. First and foremost, there were substantial cost overruns in connections with new projects. This was particularly serious in the case of the Gotham, which Nova-Park had originally intended to open in the summer of 1982 after an $80m-plus renovation of the Edwardian hotel. Largely as a result of defects found in the building's structure, something like $155m was spent, before work ceased on the project over year ago.

Costs also proved much higher than expected in Paris, while the projected Tourist Center Nova-Park Cairo site turned out to need extensive drainage work. The Cairo venture, on which more than SwFr 40m was spent, never reached the construction stage.

Added to this, financing methods raised questions. Dr Artur Bezzola, who temporarily replaced Mr Hatt as managing director last year (Dr Bezzola was subsequently himself ousted), claimed there had been the use of "large sums of short-term money to finance long-term projects." As if these factors were not enough, Nova-Park was hit by currency losses.

Settling of differences

Last year saw a series of battles between shareholders of the Zurich parent company, with Dr Bezzola acting as a dissidents' leader after the return to power of René Hatt in August. A good deal of the disagreement concerned the holding of shareholders' meetings, the dissidents calling for a full financial report and subsequently the appointment of a supervisory board. Despite an apparent settling of differences in October, when it seemed a "financial reorganisation" was *assured, the fight was soon* resumed. This week, an extraordinary meeting was held — after the board had appealed against its convening by court order — and the dissidents succeeded in their call for the depositing of a balance sheet, a formula aimed at halting corporate activities.

In recent months, creditors have become increasingly impatient. Just before Christmas, the local subsidiary of a German bank called for the opening of bankruptcy proceedings for a claim of SwFr 5.1m. The company was saved by the bell when a group of America-can investors provided the necessary sum and the court withdrew a corresponding bankruptcy order. However, Nova-Park was not granted the debt-settlement agreement it had asked for.

Yesterday's bankruptcy ruling concerns much larger sums owed to the Zurich bank in the form of a SwFr 56m mortgage lien and some SwFr 3.5m in mortgage interest payments. This figure is over and above a total of more than SwFr 70m in other Swiss-registered claims by creditors.

Meanwhile, a recent New York court judgment is seen by German bank creditors as a green light for the sale of the Gotham, to which they lay claim, while a Paris court last month called on the Nova-Park Elysée operation to cover accumulated losses of FFr 138.6m by June 6.

The only bright spot seems to be the very first Nova-Park, that in Zurich. In a rare communiqué, the parent company says the hotel—a tenant of the *company—is, together* with its fitness spa and other marginal operations, showing "excellent turnover." This is confirmed by Crédit Suisse, which is keen on the hotel's continued existence.

Otherwise, it is virtually impossible to say what the situation of the group is. At an annual general meeting held—despite complaints from the dissident shareholders—in Paris last in January, the board presented figures in respect of the 1983 calendar year, showing a loss of SwFr 100,000 for 1983, following a profit of SwFr 6.4m in the previous year. These results, however, as well as being very much out of date, and not including any indications of turnover, have in some *points been faulted by the* erstwhile auditors.

Work is said to be going on on the 1984 figures. According to Crédit Suisse, though, Nova-Park is currently without auditors, so this could take quite a time yet.

Nor is the effective ownership of the company clear. The same U.S. investors who saved Nova-Park from bankruptcy in December successfully recommended a "restructuring plan" to the Paris general meeting, the programme to be carried out by a so-called investment holding company in which "existing shareholders will be offered a participation."

The London-based European Banking Company has been advising on the *reorganisation*.

As to the identity of the American investors, these are represented by Mr Ronald Oeill and Mr Filip di Sanza, both of New York. According to dissident shareholder circles, they are connected to the *Delaware*-registered Elizabehthon Realty Company—and also to Phil-Ron Corporation, which last April tried to buy out the German banks' stake in the Gotham and to finance the hotel's completion. *Also unclear is the state of* the lien on certain group assets held by Tunis International Bank.

The Middle Eastern element appears to have remained quite strong, at least among the dissi-*dent* shareholders. When a

Directors re-elected

Zurich court rejected an appeal of Nova-Park this February against the convening of an extraordinary general meeting, most of the names of the original plaintiffs were Arabic.

The board of directors had resigned en bloc at the Paris annual meeting because of the "change in shareholdings"—but most of them, including René Hatt—were subsequently re-elected. Mr Hatt, it was stated, is to act as an adviser in the reorganisation programme.

As to the supervisory board, the directors feel this should not be appointed before they have a chance to show what they can do. This is a major reason for their opposition to the long-postponed Zurich extraordinary meeting. As yet, though, there has been little opportunity to see just what reorganisation plans are in the pipeline.

One last attempt to save the company failed yesterday. Mr Hatt, producing a telex message from Paris, told the court that a new group of investors was prepared to raise $120m. The judge made no comment.

Bankruptcy ruling, P38

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Hamlet/Barbican

Martin Hoyle

The RSC has brought its *Hamlet* to town from Stratford; and a very handsome sight it is, with Maria Bjornson's sets backed by stormy clouds projected on to a rippling gauze, the raked central ramp dividing to reveal the gravediggers' work, and unashamedly beautiful costumes, muted colours in a Jacobean vein.

Ron Daniel's production is straightforward rather than innovative. Chief interest lies in how a Prince who has a fey, unstable look to begin with can progress to a calm acceptance of destiny. Roger Rees's speech on the providence in the fall of a sparrow is his Hamlet's sanest moment; certainly his most beautifully spoken; and marks the emergence of this Prince as a complete and adult personality.

Almost unhinged by his father's ghost, at the words "Taint not thy mind," Hamlet instinctively touches his head, his own "distracted globe." At the invisible spectre's reiterated "Swear!" he flutters in panic round the stage, even patting the ground reassuringly in case the spirit voice emanates from below. A volatile temperament extends to bitter humour and an unusually big audience laugh for the thrift that rehashes funeral baked meats for the wedding breakfast. By the time he consciously decides to assume an antic disposition Hamlet is already there, naturally.

Vocally Mr Rees has a touch of the McKellens in the quiver of controlled feeling, the sardonic veneer of his passions, the final syncopation of heavy emphasis on one or two final words in a long phrase. Though a lightweight performance (I doubt whether this Hamlet would have proved most royally had he been put on) and ultimately unmoving, there are good things in it; not least Mr Rec's screaming efforts to get worked up after "Oh what a rogue and peasant slave" — only to become angry at his lack of anger. And he throws himself into the players' showpiece, snatching the prop crown from the actors with an uncharacteristic decisiveness — as if play-acting were this Prince's natural medium.

Frances Barber's straightforward and honestly emotional Ophelia suits the production; the excellent Kenneth Branagh must beware, as her brother, of a chunky schoolboy glumness that kept reminding me curiously of the Just William illustrations. Their father, as played by Christopher Benjamin looking like Shylock, manages to be funny but no fool. A prolix civil servant, a stickler for form in literary style as much as anything else, his Polonius still displays the spark of shrewdness that has, after all, made him a valued member of the royal household. (His son's boredom at his father's exhortations suddenly changed to cheepishness at the sense of "To thine own self be true": a nice touch.)

Virginia McKenna's beautiful, vulnerable Gertrude is less of a goose than we often see in the part: a sophisticated and intelligent woman with a fatal blind spot. John Stride's Claudius really should take her drinking from the poison cup rather less casually—in the excitement generated by Malcolm Ranson's typically vigorous fight, it almost went unnoticed. And James Simmons's near-punk Fortunbras ruins the effect when he turns that aggressive bullet head away and we see the carefully slicked-back hair that very nearly resembles what in my youth was referred to as a duck's tail, among other things.

The Cenci/Bristol New Vic

B. A. Young

"That matter of the murder is hushed up," says Pope Clement's dodgy nephew, Cardinal Camillo in Act 1, Scene 1, line 1. Shelley's wife wrote that the poet "most erroneously conceived himself to be destitute of . . . the capacity of forming and following up a story or plot," but certainly Shelley throws us in at the deep end in *The Cenci*, effectively produced at the New Vic at Bristol.

It is a truly horrible play. Count Cenci is brutal and sadistic ("I love the sight of agony"), and particularly averse to all his expensive children, apart from his daughter Beatrice, for whom he nourishes an incestous passion. William Hoyland uses a dreadful style to colour his self-satisfaction at his evil. The murder in the first line is incidental; it is brought in so that we may know that the greedy Pope forgives Cenci all his crimes in exchange for great gifts of property and wealth.

The first two sons, who we never see, are killed in an accident, Cenci, who has been praying for that very thing, gives a party to celebrate the event, which he himself celebrates with the rape of his daughter. The third son, Giacomo, has made a good marriage, but his father has cheated him of his dowry, leaving him and his family in poverty. There is a fourth son, Bernardo, a boy; Cenci is happy to spare him as "the sepulchre of hope."

Aided by a shifty young priest, Orsino, who hopes to seduce Beatrice if he helps murder her father, Cenci is assassinated. We are told most of these things, not shown them. Shelley's doubts about his plot-making are confirmed, for once the old man is gone we are left with nothing but the suspicion, arrest and condemnation, long-drawn-out, of Beatrice, Giacomo and their stepmother Lucretia. There is an interesting development which I suspect the poet did not intend; for Beatrice, still addressed by Bernardo as "the one thing pure and innocent," turns dishonest and selfish, willing to lie, even to sacrifice the servant who did the actual deed, to save herself. "What is done wisely is done well," she says.

Leonie Mellinger, who plays the part, chose the change only in the words, not in the playing; but the truth is that the characters have little depth in them under their strong outlines, and there is not much room for subtlety. The company in general speak the verse pretty well. It is not poetic on the whole, but narrative, with occasional climaxes of beastliness, such as Cenci's first assault on his daughter, which Mr Hoyland makes notably chilling.

There is a bare set by John Elvery. A winding staircase rises from a corner of the tiny stage, giving four possible levels for playing, which director Debbie Shewell uses cleverly, restricting the lights (Tim Streader) mostly to spots in the gloom. Alan Bennion is neutrally judicial as Camillo, though we know him for a twister, and Richard Albrecht as Orsino is a twister almost as soon as he comes on. Philip Bretherton's Giacomo has a more 16th century look than the other men (it's the heir); but I wouldn't care to allot awards among an able company.

Royal Ballet

Barclays Bank (£30,000) and the British Council (£16,000) are giving the Royal Ballet extra sponsorship so it can make a brief visit to Portugal during its European tour, starting tomorrow, which also covers Spain, East Germany and Hungary. The Royal last visited Lisbon in 1952.

Lyceum goes 'live' after 46 years

The National Theatre's highly acclaimed production of the *Mysteries* is to transfer to the Lyceum, off the Strand, bringing live theatre back there for the first time since 1939. The trilogy of plays, based on the medieval mystery tradition, will open on May 15 for a 15 week season.

The Cottesloe, where the *Mysteries* ends its run on Saturday, will then go dark, but, thanks to a £375,000 grant from the GLC, it should re-open again early in September. The closure of the Cottesloe has been forced on the National Theatre by its inadequate Arts Council grant for 1985-86, which was increased by less than 2 per cent.

The *Mysteries* will be presented in the promenade style, developed at the Cottesloe; but, with an audience capacity of 1,000, many more people will be able to enjoy what Sir Peter Hall, director of the National, described yesterday as "the best thing we have done, and one of the best things I have ever seen in the theatre."

Theatre Projects is presenting the *Mysteries* at the Lyceum which, in the 19th century, was one of the leading theatres in London and the site of the country's first "national theatre" when Sir Henry Irving reigned there. Its last stage show before its conversion to a ballroom was *Hamlet*, with John Gielgud.

The move to the Lyceum is helped by an advance of £25,000 from the £375,000 which the GLC has promised the National Theatre to make good its shortfall in Arts Council funding. Peter Pitt, of the GLC, had good news yesterday for London's arts organisations: he announced that they could all expect funding in 1985-86, increased in line with inflation.

There had been concern that, in its final year, the GLC might deprive the arts of funds, pleading Government rate-capping as an excuse. In the event, it has decided to go down in a blaze of glory as the friend of the arts, showing up the Government, and the Arts Council, as parisimonious and anti-culture.

Mr Pitt, who chairs the GLC arts and recreation committee, appealed yesterday for any arts group that found itself in financial problems to come to him. The main beneficiaries of GLC funding—the ENO, the National Theatre and the London Festival Ballet—should stop worrying about the lack of information on the size of their 1985-86 subsidy—the money will be found.

There have been some redundancies at the National Theatre as it strives to cut £1.1m from its spending, but now it expects to survive without the 100-job loss originally envisaged.

Antony Thorncroft

Sarah Walden assails art gallery practices in a new book

For restoration, read ruination

Leonardo would be dismayed if he were to enter the art restoration department of a large modern gallery. With his interest in anatomical dissection he would be struck by how much more the work had in common with the surgery than with the studio. Pictures which he had last seen upright on his easel would now lie prostrate like patients, surrounded by technicians and machinery, bleeding under the scalpel and the corrosion of fierce chemicals.

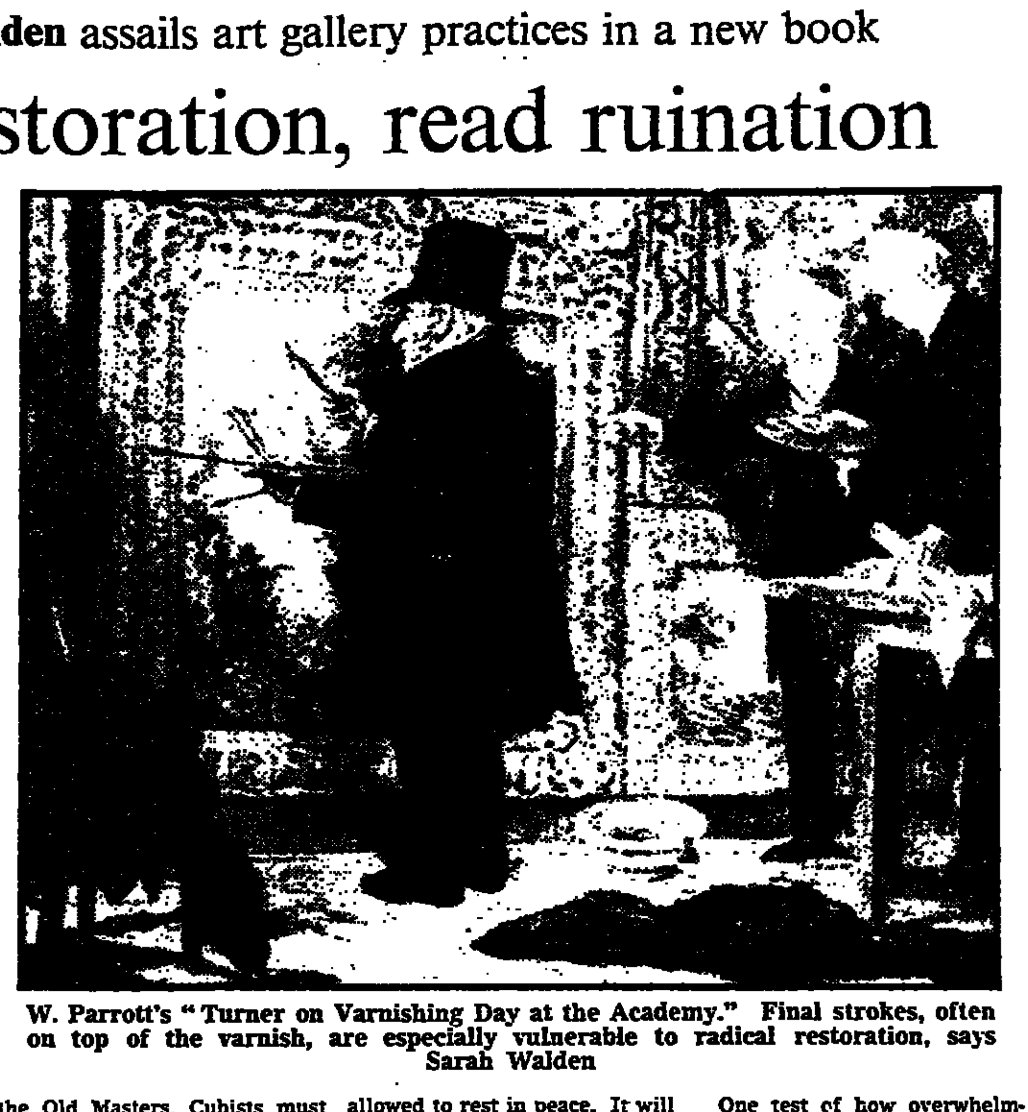
In the past 50 years, an expanded restoration industry has done irreversible damage to major paintings, especially in Britain and the United States. Just as the ordinary individual is beginning to see, in ever clearer focus, the devastating effects of short-sighted development in our towns or countryside, so it is with painting: you do not need a highly trained eye to feel that a piece of drapery or outstretched hand can have profound significance. You don't have to be an art historian to wonder whether Titian meant his paintings to have that hard, bright, flat look.

Great masterpieces have been subjected to doctrinaire treatment by technicians who, lacking an essential humility may scarcely look beyond the end of their microscopes, apparently unaware of the effect that the confident probings of 20th century technology can have upon the picture as a whole. Most damage has been done in Britain and the U.S. Is it because of a weak, even non-existent continuity of craftsmanship, and a position outside the mainstream of visual arts in Europe? Certainly the wisdom of an inherited tradition seems lacking.

Many of our own conservators are unwilling to admit that there are obviously subjective areas in the cleaning of paintings, where restraint is the best policy. Today's technicians ignore the fact that painters frequently added final touches on top of the varnish; that varnish and glazes often become inextricable with time, so that the rigorous removal of one destroys the other; and that, by cleaning right down to the paint itself, they are not reviving the "original"—the colours the artist used will probably have changed at different rates over time, thus disturbing the tonal balance. "The original," in that sense, is long gone. To pursue it is to pursue a mirage.

Old Masters are the most vulnerable, but moderns can suffer too. The charm of Cubism often depended on a spiky, provocative interplay of unvarnished texture; on contrasts between velvety black recessions, gravelly advancing lights, or sudden patches of powdery blue.

Now many surfaces are sodden or monotonous-looking, optical tricks deadened by a combination of wax impregnation from behind and incongruous varnishing in front. Like the Old Masters, Cubists must be made to conform to the ideal of a museum painting. Like nanny's rules for respectable clothing on public occasions, the effect is often to sacrifice personality to decorum.



W. Parrott's "Turner on Varnishing Day at the Academy." Final strokes, often on top of the varnish, are especially vulnerable to radical restoration, says Sarah Walden

With the great majority of paintings now in public galleries, it is widely supposed that the state will see to their health. But the excesses or neglect of private ownership can easily be equalled by the ravages of impersonal committees or institutional life. An heir can be passionately protective towards his inheritance. Neglect, in the case of paintings, can sometimes be benign. But on admission to a museum gallery, a painting will probably be put into the hands of a restorer, whether or not it really needs attention.

Treatment may vary in extent or intensity, but treatment there will be. The lucky ones may escape with a mere "surface cleaning." Others may fall victim to more radical attentions. The didactic popularism of some state-owned galleries may influence restoration: brightening pictures up, bringing out the highlights, sharpening and clarifying the outlines and images. The rationale is that the public can be attracted and startled, and taught that even "old art" can be fun.

Even when treatment is over, a painting will rarely be allowed to rest in peace. It will be fussed over, re-framed, re-hung, lent to other galleries in faraway places, sent on hazardous journeys by aeroplanes ferries and motorways. Many journeys mean damage. More damage means more restoration, which may often go beyond the affected area: the loss of a few flakes of paint may mean a complete new relining with canvas.

Goethe's indignation at the tricks of one restorer who worked on Leonardo's Last Supper (now being "restored" for the umpteenth time) still rings a warning bell. "By a small demonstration, he deceived the ignorant monks." Delacroix felt so strongly about over-cleaning paintings that he broke a long-standing friendship with the chief restorer at the Louvre. Dégas said that anyone who touched a picture should be deported, and that the footprint of time across a painting was itself an intrinsic part of its beauty.

Today, restoration is a form of criticism. Anything we do to a picture will be in our own image. When our restorers scour the surfaces of defenceless old masters, and then triumphantly expose the naked clash of colours, they are saying: here is what the artist really meant.

As in modern literary theory, fashionable new dogmas may soon be proved false. But in the case of painting the damage is permanent.

One test of how overwhelming contemporary taste can be is the history of forgeries. It seems incredible now that Van Meegeren's "Vermeers" fooled the art establishment. Not that he was an incompetent forger, but that his work bears the imprint of his own times: seen today, some of the faces look remarkably like Marlene Dietrich.

After an unprecedentedly intense period of activity, it is surely time to stop and reflect. Yet inactivity is the one intolerable thing in our busy century. Maybe market forces will help to preserve paintings from further desecration? There is little doubt that, within a decade, there will be a sharp reversal of contemporary conservation styles. The prices of pictures will react accordingly.

Already the market works the other way. A few years ago, the Wall Street Journal reported that American primitive paintings sold better when they were left in evocatively unrestored condition, since any cleaning highlighted their unassuming simplicity. To arrive at a state of affairs where good paintings were earnestly interfered with, while bad ones were left unscathed, would indeed be richly ironic.

("The Ravished Image" by Sarah Walden, a practising restorer, has just been published by Weidenfeld and Nicolson, with a preface by Sir Ernst Gombrich. Price £12.95.)

Mahagonny Songspiel

Rodney Milnes

The only problem about David Alden's staging of Weill's Songspiel for the London Sinfonietta's Bean-Feast at the Queen Elizabeth Hall is whether it is hilariously funny or deeply serious. Probably, like life, both. Someone saying they were going to send their Marxist friends to see the repeat performance gave me pause: me, I'd send my gay friends, or at least those with a sense of the ridiculous, which is what most gays have to have.

I mean, playing "If you had five bucks a day" in front of the Thatcher 1984 rate-capping poster, and making the god who comes to Mahogonny President Reagan in a tutu sitting on the lavatory and toting a machine gun—that much is certainly funny. The visual accompaniment to the Benares Song (black iron-pumper and stately lady with an exquisitely clipped white standard poodle) must be serious. Since the show is designed by David Fielding, there are fluorescent lights, a good theatrical in-joke (however were they kept out of his *Xerxes*?).

No, seriously, what we have here is a hugely enjoyable and brilliantly sustained exercise in High Dada, but with a dark edge to it. It is thus perfectly attuned to Weill's score which, never let it be forgotten, is one of the 20th century's most authentic and succinct masterpieces. It was stunningly well played by the Sinfonietta under Simon Rattle, the textures etched clearly in acid, the outlines as seductive as a Vargas girl.

The singing, too, was excellent, which is saying a great deal, not only because it is difficult but also because the artists had so much else to think about, like inflatable dolls and a bucket of eggs. For Elise Ross (gloriously creamy), Linda Hirst, Neil Jenkins (the hardest assignment of all), Alexander Oliver, Omar Ebrahim (manic grin much in evidence) and Terry Edwards, nothing but praise—and gratitude for thirty minutes of total joy. The repeat, for Marxists, or gays, or indeed both, is at lunchtime today.

It was preceded by Mozart's Serenade for 13 wind instruments (K361), which Simon Rattled through a mite briskly at times, yet he also relished the proto-romantic qualities of the piece as much as its pungent, folksy sonorities. The carefully shaped rubato gave the Adagio a 19th century sensibility that presaged Dvorak's Wind Serenade which, coincidentally, the Sinfonietta will be playing tonight and tomorrow. Would that this uniquely gifted band were playing every night of the year in London.

Impressionists/Paris

Magda Hamsher

The exhibition of 125 Impressionist chef d'oeuvres in Paris which closes on April 22, has become such a "must" that, even on a Sunday morning, when *la grasse matinée* is proverbial for most Parisians, a queue winds around the Grand Palais well before opening time. Snow did not deter crowds when the exhibition began. With only a few days left to see it, it is a show well worth the weekend in Paris.

True, it is exceptional. It was conceived to coincide with the Olympic Games in Los Angeles, and went on to Chicago before coming to Paris. Thanks to generous loans by American, Canadian, British and French museums and collectors, especially the Art Institute of Chicago, and with patronage from IBM, 125 paintings of prime importance were assembled.

The pictures are arranged according to theme, rather than chronologically: rivers, roads and railways; urban landscapes, private and public gardens; the French countryside, the sea.

This grouping produces a certain monotony. Yet the exhibition demonstrates the revolution the Impressionists brought about. Their first few paintings, still influenced by the Ecole de Barbizon, show sombre woods and leaden skies. Suddenly, the miracle is there: bursts of colour, ever-changing light, and ripples of water create a mood of never-ending Sundays, peopled by oarsmen in boaters and ladies in white dresses speckled with sunshine.

With 42 paintings, Monet is the central figure. "Magpie," his great snow-scene, where shadows are as important as the glitter of snow, has a rotunda all its own in celebration of its recent acquisition by a French museum.

Pisarro, Sisley, Renoir—and the revelation of the show, Auguste Caillebotte. His "Pont de l'Europe," a powerful vision, dares a sober composition and colouring; hues of grey with a touch of blue and touch of white. The metal of bridge and bolts has a solidity to make one wonder whether it is still Impressionism.

This show includes some painters usually considered Post-Impressionists. A magnificent Van Gogh, "Le Jardin du Poète," paint thickly brushed on in greeny yellows with spiky contours. Some Gauguins, exotic even before Tahiti and lastly, Cezanne's, unmistakable blues and greens.

Reluctant Heroes/Bromley

Antony Thorncroft

From its base at the Shaftesbury in London, the Theatre of Comedy is slowly extending its tentacles around the dramatic life of the country. Its early hits have transferred to other West End theatres, and now it has reached the southern suburbs with a revival of Colin Morris's 1950 farce directed by Theatre of Comedy shareholder John Alderton.

Reluctant Heroes has a noble role in the history of British comedy—it was the first of the Whitehall farces, the first in which Brian Rix lost his trousers. At Bromley, it is Jeff Rawle who brings the curtain down on the first act clutching at his shirt tails to preserve his honour. His performance owes little to the Rix original but very much to Rik Mayall in its mix of northern gormlessness and sudden defiance.

This tale of the trials of National Service was a trail blazer in its time (1950) but its stock scenes — the new recruits rudely awakened by the sergeant; the perils of the medical inspection; night manoeuvres—are now so familiar that it would take a faster production than this to summon up deep belly laughs. But the audience was in a kindly mood and the actors took it seriously and deserve praise, especially Timothy Bentinck as the educated Tone, all silk jim-jams and affronted dignity; and Shaun Curry as the sergeant who fails to kiss him goodnight.

In a few years *Reluctant Heroes* might well have matured into a classic period piece. This competent production plays it straighter than it deserves (although there is the odd new line), losing out on the chance to laugh at it while squeezing few new laughs from it.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 12-18

Exhibitions

BRUSSELS

Palais des Beaux Arts: Felicien Rops – drawings, paintings and watercolours – a mixture of the macabre and erotic, skeletons and sex. Ends April 28.

NETHERLANDS

Amsterdam. Nieuwe Kerk (Dam Square). Two contrasting shows in the church by the Royal Palace. The first is the 28th World Press Photo Exhibition (ends May 2), the second a selection of satirical drawings by Hans-Georg Rauch (ends April 29).

ITALY

Rome, Palazzo Braschi (Piazza San Pantaleo): Antonio Donghi (1897–1965): A large retrospective sponsored by Banco di Roma (which owns the largest single collection of his works) and the Rome local council. Donghi was, until recently, considered a minor and somewhat provincial artist. But apart from the extraordinary clarity and intensity of his colours and the delicacy of the paintings of the countryside around Rome, it is difficult to feel much enthusiasm. His unnaturally static figures have faint echoes of Magritte and are slightly disturbing. Ends Apr 21.

Rome, Galleria Nazionale d'arte Moderna: Aubrey Beardsley (1872-1898) (in collaboration with the British Council). Beardsley is described by the organiser as "one of the most subtle exponents of European *fin de siècle* decadence" – but one is far more impressed by the simplicity and directness of his style and the rare combination of irony and sensuality. In a career which lasted less than six years, he invented a brilliant series of new styles: from the delicacy and intricate detail of the series of illustrations for The Rape of the Lock to those for Oscar Wilde's Salome (which made him notorious). Ends Apr 28.

Turin: Palazzo Reale: Indian miniatures from the 17th to the 19th century entitled Life At The Court of Rajasthan. The paintings come mainly from the Victoria and Albert Museum and the Museo Rietberg in Zurich. Ends May 22.

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

WEST GERMANY

Berlin, Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition of Antoine Watteau to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the show. The French rococo painter often used poor quality colours, therefore many of his paintings are in a bad condition and have not been displayed before. The exhibition includes 73 drawings and 143 paintings. Ends May 25.

Köln, Kunsthalle, Josef-Haubrich-Hof I: "Ornamenta Ecclesiae." To underline the importance of the romanesque churches, the Cologne Schnüttgen museum has organised an exhibition of roughly 600 religious works ranging from 11th to 13th century including illuminated manuscripts and gold artifacts. Ends June 9.

Hanover, Sprengel Museum, Kurt Schwitters-Platz: Works from 1885 to 1954 by the French artist Henri Laurens, to commemorate the 100th anniversary of his birth. Through his friend George Braque, Laurens discovered cubism in 1911 and became popular in France. In 1969 the German industrialists Bernard Sprengel, a Laurens enthusiast, gave his entire collection to Hanover. The works include 115 sculptures, collages, paintings and graphics. Ends April 28.

PARIS

Impressionism and the French Landscape: The exhibition, conceived to coincide with the Los Angeles Olympics, treats the Impressionists' favourite subject matter from an unusual angle. The 125 paintings by the great names of the movement and by Manet and the Post-Impressionists, are divided according to themes. Rural countryside forms one group and the means of transport another, as do urban landscapes and the maritime universe. All show how the artists interpreted the traditional image of France and the modern one which developed in the wake of industrial progress. Grand Palais (260 3926). Closed Tue. Ends April 22.

Cubist Engravings. The great names of the movement, Picasso, Braque, but also Delaunay, Villon, Marcoussis, are assembled under the benevolent gaze of Guillaume Apollinaire. Some of the works are powerful, where a human shape emerges from the puzzle. Others, on yellowing paper, seem touchingly small, intricate and introverted. Berggruen Gallery, 70 rue de l'Université, (222 0212). Closed Mon. Ends April 30.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

Treasures from the New York Public Library: 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Gallery. Ancient Art of the American Woodland Indians includes 151 pieces covering 5,000 years of sculpture, ceramics, copper and shell objects of the native Americans who lived in what is now the eastern half of the U.S. Ends Aug 4.

LONDON

The Saatchi Collection: Charles and Doris Saatchi have been collectors of contemporary art since 1970. The catalogue of their collection, The Art Of Our Time, is being published volume by volume, and a gallery established to make it available to a wider public. The gallery is an astonishing converted paint warehouse at 98a Boundary Road, NW8, that offers more exhibition space for temporary shows than any other gallery in London, except perhaps the Tate. There are to be three or four shows a year, of a few artists at a time. Those now being shown are Cy Twombly, Brice Marden, Andy Warhol, Don Judd, and Richard Serra. The gallery is open on Fridays and Saturdays between 12 and 6, or by appointment. (624 8299).

TOKYO

Japan a Hundred Years Ago: Photographs from Edward S. Morse Peabody Museum Collection. A superb documentation of pre-modern Japan capturing town and country life touched up with colour for more realistic impression. Tobacco and Salt Museum, Shibuya. The location, a bustling and fashionable area for the affluent young, exemplifies the remarkable changes Japan has undergone in the last century. Ends May 6.

Turkey: Land of Civilisations: Treasures from the Topkapi and other museums trace Turkey's history and civilisation from prehistoric times to the end of the Ottoman Empire in the early 20th century, in an exhibition that is the first of its kind outside Turkey. On the 9th floor of the Kokusai Building, Hibiya, overlooking the Imperial Palace and moat, Idemitsu Museum. Ends June 2.

Ancient Chinese Earthen Statues: One of the most exciting exhibitions of figurines excavated from tombs, including Xian, showing the developed state of ceramics – and of glazing techniques – from as early as the 3rd century. This museum in Ueno Park makes an especially pleasant weekend outing now that it is cherry blossom time. The groups of revellers picnicking under the trees are a good source of sociological study – and invitations to foreigners to join the feast are part of the general bonhomie. However, an early return home to avoid the rush-hour is advised. Tokyo National Museum. Ends May 6.

Saleroom/Antony Thorncroft

Metalwork makes a mark

After mixed fortunes with its manuscripts and miniatures, Sotheby's week of Islamic sales blossomed on Tuesday night when its auction of works of art and carpets produced £677,116, with a reasonable 10 per cent unsold.

The finest lots were among the metalwork and they attracted the highest prices. An early-16th century silver gilt jug, of which only six are known, more than doubled its top estimate at £77,000. It carries the monogram of Sultan Selim I and confirms that the Ottomans were as interested in good metalwork as in ceramics.

A Persian gold and silver inlaid brass casket of the early-14th century, in excellent condition, did very well at £42,900. It was bought by the London dealer B. Mohamed, who also paid £39,600 for a previously unrecorded gold and silver inkwell of around 1275 with a frieze of horsemen in combat and the inscription "when you open the inkpot, may glory and grace increase for you"; and the same sum for a 13th century silver inlaid brass incense burner, which was also unknown before being brought to Sotheby's.

A Mamluk gilt and enamelled blue glass jug of the 14th century made £29,700, despite missing its handle, and an Ottoman marquetry wood panel of the 16th century went for £28,600. An 18th century Indo-Esfahan was the most highly priced carpet at £26,400. There were just two major disappointments — a Persian silk panel of the 10th century and a moulded figure of a lion of around 1200, both of which were bought-in at £14,000.

Christie's yesterday completed sales of Chinese works of art and books and atlases. The Chinese market is suffering from a flood of illegal Chinese exports and the main sale was 30 per cent unsold. Top prices were the £35,000 paid by the London dealer Deydier for a Tang dynasty gilt bronze censer and cover; and £19,440 for a Guanyao dish of around 1300, which had carried an estimate of £2,000-£3,000.

Among the travel and natural history books, the dealer Burgess bought De Witt's town book, with plans of many European towns as they were in the late 17th century, for £22,680; a similar collection of town plans, this time of 1577 and by Braun and Franz Hogeenberg for £10,800; and an atlas of 1693 by Jaillot and Nicolas Sanson for £8,100. Blackwells of Oxford paid £18,360 for the Blaeus' atlas of 1640, with 272 hand-coloured maps.

Gencor Group

Gold Mining Companies' Reports for the Quarter ended 31 March 1985

All companies mentioned are incorporated in the Republic of South Africa

BUFFELSFONTEIN Gold Mining Company Limited

Issued capital – 11 000 000 ordinary shares of R1 each.
– 12 400 158 non-cumulative preference shares of R1 each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	9 months ended 31.3.1985
Mined (m²)	202 560	218 814	657 372
Ore milled (t)	864 000	878 000	2 630 000
Gold produced (kg)	7 677	7 603	22 755
Yield (g/t)	8,9	8,7	8,7
Working revenue (R/t milled)	178,49	169,16	165,36
Working costs (R/t milled)	84,96	82,86	82,87
(R/m² mined)	362,40	332,50	331,56
Working income (R/t milled)	93,53	86,30	82,49
Gold price received (R/kg)	20 026	19 496	19 065
($/oz)	306	335	331

The above figures include ore processed by Stilfontein Gold Mining Company Limited from the surface stockpile.

URANIUM			
Pulp treated (t)	806 000	769 000	2 363 000
Oxide produced (t)	182,0	168,5	503,5
Yield (kg/t)	0,23	0,22	0,21

Financial results (R'000)			
GOLD – Working revenue	154 217	148 526	434 896
– Working costs	73 408	72 755	217 961
– Working income	80 809	75 771	216 935
URANIUM – Working income	3 723	4 324	10 782
Sundry income – net	7 841	5 672	17 495
Dividend received	–	3 600	3 600
Tribute and royalties – net	(5 873)	(7 896)	(20 294)
Income before taxation and State's share of income	86 500	81 472	228 518
Taxation and State's share of income	11 342	11 511	31 548
Income after taxation and State's share of income	R75 158	R69 961	R196 970
Appropriation for capital expenditure	58 186	40 970	131 819
Actual capital expenditure	6 713	7 985	21 950
Dividend declared	–	41 250	41 250

Development – Vaal Reef			
Advanced (m)	14 180	13 865	40 444
Advanced on reef (m)	833	916	2 556
Sampled (m)	864	870	2 412
Channel width (cm)	99	88	101
Average value – gold (g/t)	21,7	20,2	18,5
– (cm.g/t)	2 154	1 778	1 880
– uranium (kg/t)	0,751	0,722	0,652
– (cm.kg/t)	74,64	63,52	66,13

REMARKS

Capital expenditure
Amounts approved not yet spent – R41 305 000
Commitments in respect of contracts placed – R3 281 000

Dividend
A dividend of 375 cents per share was paid on 1 February 1985.

Strathmore Shaft development
Development on 27 and 28 levels to the east has proved the area to be extensively faulted in the reef plane, resulting in a lower than expected reef exposure to date.

Beatrix division

In terms of an agreement, Buffelsfontein mines the mining lease area of Beatrix Mines Limited. 16 per cent of the distributable income from this area is attributable to Buffelsfontein and 84 per cent to Beatrix Mines Limited, a company which was listed on the Johannesburg and London Stock Exchanges on 28 March and 1 April 1985 respectively.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	9 months ended 31.3.1985
Mined (m²)	93 725	48 717	162 285
Ore milled (t)	364 000	216 000	699 000
Gold produced (kg)	2 043	962	3 383
Yield (g/t)	5,6	4,5	4,8
Working revenue (R/t milled)	131,85	–	–
Working costs (R/t milled)	61,14	–	–
(R/m² mined)	241,02	–	–
Working income (R/t milled)	70,71	–	–
Gold price received (R/kg)	20 088	–	–
($/oz)	301	–	–

Financial results (R'000)			
GOLD – Working revenue	18 327	–	18 327
– Working costs	8 498	–	8 498
– Working income	9 829	–	9 829
Sundry income – net	(5 799)	–	(5 799)
Income before taxation	4 030	–	4 030
Taxation	(51 473)	(32 985)	(109 869)
Income after taxation	R55 503	R32 985	R113 899
Appropriation for capital expenditure	55 503	32 985	113 899
Actual capital expenditure	17 195	33 745	92 797

Development – Beatrix Reef			
Advanced (m)	8 439	9 096	26 440
Advanced on reef (m)	2 012	2 526	7 186
Sampled (m)	1 781	2 180	6 477
Channel width (cm)	52	54	55
Average value – gold (g/t)	18,7	16,9	17,5
– (cm.g/t)	970	905	965

REMARKS

Comparative figures
As income and expenditure up to 28 February 1985 have been capitalised, the financial results reflected above refer to 1 month only.

Capital expenditure
Actual capital expenditure includes interest and is reduced by working income from gold to 28 February 1985.
Amounts approved not yet spent – R24 919 000.
Commitments in respect of contracts placed – R5 401 000.

STILFONTEIN Gold Mining Company Limited

Issued capital – 13 062 920 shares of 50 cents each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Mined (m²)	118 668	133 043
Ore milled (t)	438 000	444 000
Gold produced (kg)	2 647	2 598
Yield (g/t)	6,0	5,8
Working revenue (R/t milled)	121,99	111,53
Working costs (R/t milled)	84,56	83,54
(R/m² mined)	312,12	278,79
Working income (R/t milled)	37,43	27,99
Gold price received (R/kg)	20 156	19 025
($/oz)	305	337

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

Financial results (R'000)		
GOLD – Working revenue	53 430	49 518
– Working costs	37 039	37 091
– Working income	16 391	12 427
Sundry income – net	2 276	2 451
Tribute and royalties – net	(2 407)	(3 036)
Income before taxation and State's share of income	16 260	11 842
Taxation and State's share of income	7 188	1 701
Dividend received	–	14 400
Income after taxation and State's share of income	R9 072	R24 541
Capital expenditure	1 280	3 053
Dividend declared	–	23 513

Development	Quarter ended 31.3.1985 Vaal Reef	V.C.R.	Quarter ended 31.12.1984 Vaal Reef	V.C.R.
Advanced (m)	7 596	2 519	8 021	2 886
Advanced on reef (m)	840	289	888	754
Sampled (m)	880	290	711	683
Channel width (cm)	34	71	54	42
Average value – gold (g/t)	26,9	5,5	15,0	6,9
– (cm.g/t)	924	389	808	285
– uranium (kg/t)	0,408	0,103	0,268	0,085
– (cm.kg/t)	14,03	7,31	14,46	3,52

REMARKS

Capital expenditure
Amounts approved not yet spent – R4 470 000
Commitments in respect of contracts placed – R1 594 000

Dividend
A dividend of 180 cents per share was paid on 1 February 1985.

Gold forward sales
In order to ensure the profitability of its operations the mine has sold forward its expected gold production for the year 1985 at prices ranging from R20 211 per kilogram in January to R26 387 per kilogram in December.
The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time.
The effect of transactions closed out during the quarter is brought to account in gold working revenue.

Chemwes Limited

(A subsidiary of Stilfontein Gold Mining Company Limited)
Issued capital – 1 000 shares of R1 each.

Operating results	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Pulp treated (t)	528 000	879 000
Oxide produced (t)	67,0	125,1
Yield (kg/t)	0,127	0,142
Financial results (R'000)		
Net income	R4 489	R5 339
Capital expenditure	140	267
Dividend declared	–	18 000

REMARKS

Capital expenditure
Amounts approved not yet spent – R346 000
Commitments in respect of contracts placed – R95 000

Dividend
A dividend totalling R18 million was paid on 1 February 1985.

Production
The reduction in pulp treatment is in line with the cutback announced in the latest Chairman's Review for Stilfontein.

WEST RAND Consolidated Mines Limited

Issued capital – 4 250 000 ordinary shares of R1 each.
– 25 000 deferred shares of R2 each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Mined (m²)	103 571	108 408
Ore milled (t)	500 400	499 800
Gold produced (kg)	1 019	1 036
Yield (g/t)	2,0	2,1
Working revenue (R/t milled)	39,60	39,25
Working costs (R/t milled)	36,58	35,88
(R/m² mined)	176,73	165,41
Working income (R/t milled)	3,02	3,37
Gold price received (R/kg)	19 388	18 897
($/oz)	347	336

Financial results (R'000)		
GOLD – Working revenue	19 818	19 616
– Working costs	18 304	17 932
– Working income	1 514	1 684
Uranium income	140	1 694
Sundry income – net	1 362	1 349
Income before taxation	3 016	4 727
Taxation	671	2 252
Income after taxation	R2 345	2 475
Capital expenditure	12	(12)
Dividends declared	–	3 400

Development		
Advanced (m)	4 115	4 306
Advanced on reef (m)	1 596	2 063
Sampled (m)	1 701	2 115
Channel width (cm)	85	78
Average value – gold (g/t)	8,8	8,5
– (cm.g/t)	747	661

REMARKS

Capital expenditure
Amounts approved not yet spent – R839 000.
Commitments in respect of contracts placed – R10 000.

Dump milling
A total of 77 900 tons (December quarter 146 500) was milled ex surface dumps and 82 800 tons (December quarter 26 300) from the No. 1 surface slimes dam was treated.

Dividends
Dividends of 60 cents per ordinary share and 3 400 cents per deferred share were paid on 1 February 1985.

Gold forward sales
In order to ensure the profitability of the gold mining operations the mine has sold forward its expected gold production for the year 1985 at prices ranging from R19 133 per kilogram in January to R26 402 per kilogram in December.
The attention of shareholders is drawn to the fact that the above transactions may be closed out prior to maturity date, or rolled over at any time.
The effect of transactions closed out during the quarter is brought to account in gold working revenue.

The GROOTVLEI Proprietary Mines Limited

Issued capital – 11 438 816 stock units of 25 cents each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Mined (m²)	118 304	118 642
Ore milled (t)	510 000	510 000
Gold produced (kg)	1 836	2 002
Yield (g/t)	3,6	3,9
Working revenue (R/t milled)	73,97	76,44
Working costs (R/t milled)	44,00	43,21
(R/m² mined)	189,69	185,74
Working income (R/t milled)	29,97	33,23
Gold price received (R/kg)	20 516	19 424
($/oz)	302	339

Financial results (R'000)		
GOLD – Working revenue	37 725	38 985
– Working costs	22 442	22 036
– Working income	15 283	16 949
Sundry income – net	1 716	1 404
Tribute and royalties – net	(48)	(55)
Income before taxation	16 951	18 298
Taxation	9 671	10 457
Income after taxation	R7 280	R7 841
Capital expenditure	1 148	907
Dividend declared	–	11 896

Development	Quarter ended 31.3.1985 Black Reef	Kimberley Reef	Quarter ended 31.12.1984 Black Reef	Kimberley Reef
Advanced (m)	467	2 694	480	2 817
Advanced on reef (m)	307	1 387	357	1 676
Sampled (m)	304	1 373	351	1 656
Channel width (cm)	109	17	177	15
Average value – gold (g/t)	8,3	14,9	5,5	16,1
– (cm.g/t)	901	254	964	242

REMARKS

Capital expenditure
Amounts approved not yet spent – R7 295 000
Commitments in respect of contracts placed – R2 648 000

Dividend
A dividend of 104 cents per stock unit was paid on 1 February 1985.

Production
Clean-up operations in the old reduction plant are nearing completion and the yield is consequently more in line with the grade of the ore reserves.

MARIEVALE Consolidated Mines Limited

Issued capital – 4 500 000 shares of 25 cents each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Mined (m²)	14 713	15 831
Ore milled (t)	96 000	93 000
Gold produced (kg)	317	316
Yield (g/t)	3,3	3,4
Working revenue (R/t milled)	69,29	65,35
Working costs (R/t milled)	47,27	44,12
(R/m² mined)	308,44	259,18
Working income (R/t milled)	22,02	21,23
Gold price received (R/kg)	20 955	19 182
($/oz)	302	338

Financial results (R'000)		
GOLD – Working revenue	6 652	6 078
– Working costs	4 538	4 103
– Working income	2 114	1 975
Sundry income – net	311	246
Tribute and royalties – net	(2)	(63)
Income before taxation	2 423	2 158
Taxation	1 417	1 111
Income after taxation	R1 006	R1 047
Dividend declared	–	1 620

Development		
Advanced (m)	846	701
Advanced on reef (m)	540	344
Sampled (m)	534	339
Channel width (cm)	67	72
Average value – gold (g/t)	7,0	8,1
– (cm.g/t)	470	581

REMARKS

Dividend
A dividend of 36 cents per share was paid on 1 February 1985.

Gold forward sales
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

LESLIE Gold Mines Limited

Issued capital – 16 000 000 shares of 65 cents each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	6 months ended 31.3.1985
Mined (m²)	74 161	80 395	154 556
Ore milled (t)	355 000	359 000	714 000
Gold produced (kg)	1 065	1 220	2 285
Yield (g/t)	3,0	3,4	3,2
Working revenue (R/t milled)	60,97	66,87	63,93
Working costs (R/t milled)	38,00	36,77	37,38
(R/m² mined)	181,90	164,23	172,71
Working income (R/t milled)	22,97	30,10	26,55
Gold price received (R/kg)	20 108	19 503	19 785
($/oz)	304	338	322

Financial results (R'000)			
GOLD – Working revenue	21 643	24 008	45 651
– Working costs	13 490	13 203	26 693
– Working income	8 153	10 805	18 958
Sundry income – net	915	1 297	2 212
Tribute and royalties – net	(22)	(32)	(54)
Income before taxation and State's share of income	9 046	12 070	21 116
Taxation and State's share of income	4 829	6 939	11 768
Income after taxation and State's share of income	R4 217	R5 131	R9 348
Capital expenditure	183	75	258
Dividend declared	7 200	–	7 200

Development – Kimberley Reef			
Advanced (m)	2 609	2 396	5 005
Advanced on reef (m)	439	506	945
Sampled (m)	441	474	915
Channel width (cm)	20	19	19
Average value – gold (g/t)	19,2	24,4	21,7
– (cm.g/t)	381	454	419

REMARKS

Capital expenditure
Amounts approved not yet spent – R5 148 000
Commitments in respect of contracts placed – R114 000

Dump Milling
A total of 60 774 tons (December quarter 68 140 tons) was milled ex surface dumps.

Dividend
On 28 February 1985 dividend No. 41 of 45 cents per share was declared payable to members registered on 15 March 1985. Dividend warrants will be posted on 3 May 1985.

Gold Forward Sales
Gold working revenue includes the effect of closing out of forward sales during the quarter.

KINROSS Mines Limited

Issued capital – 18 000 000 stock units of R1 each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	6 months ended 31.3.1985
Mined (m²)	141 211	153 770	294 981
Ore milled (t)	558 000	555 000	1 113 000
Gold produced (kg)	3 701	3 663	7 364
Yield (g/t)	6,6	6,6	6,6
Working revenue (R/t milled)	130,84	129,85	130,34
Working costs (R/t milled)	49,55	50,43	49,99
(R/m² mined)	195,81	182,03	188,62
Working income (R/t milled)	81,29	79,42	80,35
Gold price received (R/kg)	19 689	19 605	19 774
($/oz)	304	336	319

Financial results (R'000)			
GOLD – Working revenue	73 007	72 068	145 075
– Working costs	27 650	27 990	55 640
– Working income	45 357	44 078	89 435
Sundry income – net	3 685	3 356	7 041
Tribute and royalties – net	–	–	–
Income before taxation and State's share of income	49 042	47 434	96 476
Taxation and State's share of income	32 548	30 003	62 551
Income after taxation and State's share of income	R16 494	R17 431	R33 925
Appropriation for capital expenditure	2 597	2 148	4 745
Actual capital expenditure	1 626	460	2 086
Dividend declared	27 000	–	27 000

Development – Kimberley Reef			
Advanced (m)	4 571	5 183	9 754
Advanced on reef (m)	1 021	1 171	2 192
Sampled (m)	1 026	1 130	2 156
Channel width (cm)	54	50	52
Average value – gold (g/t)	12,1	19,1	15,6
– (cm.g/t)	653	951	809

REMARKS

Capital expenditure
Amounts approved not yet spent – R15 333 000
Commitments in respect of contracts placed – R1 595 000

Dividend
On 28 February 1985 dividend No. 34 of 150 cents per stock unit was declared payable to members registered on 15 March 1985. Dividend warrants will be posted on 3 May 1985.

BRACKEN Mines Limited

Issued capital – 14 000 000 shares of 90 cents each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	6 months ended 31.3.1985
Mined (m²)	67 942	69 269	137 211
Ore milled (t)	258 000	249 000	507 000
Gold produced (kg)	980	949	1 929
Yield (g/t)	3,8	3,8	3,8
Working revenue (R/t milled)	77,67	74,21	75,97
Working costs (R/t milled)	41,28	41,27	41,27
(R/m² mined)	156,74	148,33	152,49
Working income (R/t milled)	36,39	32,94	34,70
Gold price received (R/kg)	19 933	19 126	19 536
($/oz)	303	328	315

Financial results (R'000)			
GOLD – Working revenue	20 038	18 478	38 516
– Working costs	10 649	10 275	20 924
– Working income	9 389	8 203	17 592
Sundry income – net	852	1 058	1 910
Tribute and royalties – net	(219)	(192)	(411)
Income before taxation and State's share of income	10 022	9 069	19 091
Taxation and State's share of income	6 709	6 012	12 721
Income after taxation and State's share of income	R3 313	R3 057	R6 370
Capital expenditure	66	79	145
Dividend declared	5 600	–	5 600

Development – Kimberley Reef			
Advanced (m)	920	861	1 781
Advanced on reef (m)	301	277	578
Sampled (m)	307	273	580
Channel width (cm)	61	53	57
Average value – gold (g/t)	9,4	9,3	9,3
– (cm.g/t)	575	494	537

REMARKS

Capital expenditure
Amounts approved not yet spent – R903 000
Commitments in respect of contracts placed – R37 000

Dividend
On 28 February 1985 dividend No. 46 of 40 cents per share was declared payable to members registered on 15 March 1985. Dividend warrants will be posted on 3 May 1985.

Gold Forward Sales
Gold working revenue includes the effect of closing out of forward sales contracts during the quarter.

WINKELHAAK Mines Limited

Issued capital – 12 180 000 shares of R1 each.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	6 months ended 31.3.1985
Mined (m²)	150 671	155 818	306 489
Ore milled (t)	610 000	610 000	1 220 000
Gold produced (kg)	3 538	3 569	7 107
Yield (g/t)	5,8	5,9	5,8
Working revenue (R/t milled)	115,33	115,49	115,41
Working costs (R/t milled)	45,20	44,28	44,74
(R/m² mined)	182,99	173,33	178,08
Working income (R/t milled)	70,13	71,21	70,67
Gold price received (R/kg)	19 669	19 542	19 605
($/oz)	300	337	319

Financial results (R'000)			
GOLD – Working revenue	70 350	70 448	140 798
– Working costs	27 571	27 008	54 579
– Working income	42 779	43 440	86 219
Sundry income – net	2 335	5 406	7 741
Tribute and royalties – net	(382)	(438)	(820)
Income before taxation and State's share of income	44 732	48 408	93 140
Taxation and State's share of income	30 754	31 721	62 475
Income after taxation and State's share of income	R13 978	R16 687	R30 665
Capital expenditure	1 894	1 687	3 581
Dividend declared	28 014	–	28 014

Development – Kimberley Reef			
Advanced (m)	4 057	4 031	8 088
Advanced on reef (m)	958	732	1 690
Sampled (m)	978	752	1 730
Channel width (cm)	80	65	73
Average value – gold (g/t)	17,9	13,7	16,4
– (cm.g/t)	1 437	893	1 201

REMARKS

Capital expenditure
Amounts approved not yet spent – R17 653 000
Commitments in respect of contracts placed – R305 000

Dividend
On 28 February 1985 dividend No. 50 of 230 cents per share was declared payable to members registered on 15 March 1985. Dividend warrants will be posted on 3 May 1985.

ST. HELENA Gold Mines Limited

Issued capital – 9 625 000 ordinary shares of R1 each.
– 10 115 070 cumulative preference shares of R1 each.

Operating results St. Helena GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984
Mined (m²)	134 349	142 898
Ore milled (t)	599 000	587 000
Gold produced (kg)	3 114	3 052
Yield (g/t)	5,2	5,2
Working revenue (R/t milled)	104,98	100,08
Working costs (R/t milled)	50,20	47,75
(R/m² mined)	223,80	196,15
Working income (R/t milled)	54,78	52,33
Gold price received (R/kg)	20 128	19 257
($/oz)	307	334

Financial results (R'000) St. Helena		
GOLD – Working revenue	62 882	58 748
– Working costs	30 067	28 029
– Working income	32 815	30 719
Sundry income	3 089	2 202
Income before taxation and State's share of income	35 904	32 921
Taxation and State's share of income	20 204	11 060
Income after taxation and State's share of income	R15 700	R21 861
Actual capital expenditure	5 288	13 306
Dividend declared	–	15 881

Development St. Helena	Quarter ended 31.3.1985 Basal Reef	Leader Reef	Quarter ended 31.12.1984 Basal Reef	Leader Reef
Advanced (m)	2 379	906	2 238	675
Advanced on reef (m)	195	580	222	327
Sampled (m)	189	486	172	306
Channel width (cm)	104	172	100	168
Average value – gold (g/t)	10,9	3,2	10,5	3,7
– (cm.g/t)	1 136	550	1 052	618

REMARKS

St. Helena

Capital expenditure
Amounts approved not yet spent – R68 768 000.
Commitments in respect of contracts placed – R17 900 000.

Dividend
A dividend of 165 cents per ordinary share was paid on 1 February 1985.

No. 10 Shaft
The shaft has reached a depth of 579 metres.

Beisa Section
The sale of assets for the quarter amounted to R2,7 million (to date R21,3 million) and continues to progress satisfactorily.

UNISEL Gold Mines Limited

Issued capital – 28 000 000 shares of no par value.

Operating results GOLD	Quarter ended 31.3.1985	Quarter ended 31.12.1984	6 months ended 31.3.1985
Mined (m²)	62 269	62 289	124 558
Ore milled (t)	345 000	336 000	681 000
Gold produced (kg)	2 277	2 265	4 542
Yield (g/t)	6,6	6,7	6,7
Working revenue (R/t milled)	134,63	130,96	132,82
Working costs (R/t milled)	46,55	45,53	46,05
(R/m² mined)	257,93	245,60	251,76
Working income (R/t milled)	88,08	85,43	86,77
Gold price received (R/kg)	20 017	19 313	19 672
($/oz)	309	339	324

Financial results (R'000)			
GOLD – Working revenue	46 449	44 003	90 452
– Working costs	16 061	15 298	31 359
– Working income	30 388	28 705	59 093
Sundry income – net	2 581	2 557	5 138
Milling fee	(1 686)	(1 687)	(3 373)
Income before taxation and State's share of income	31 283	29 575	60 858
Taxation and State's share of income	20 618	18 445	39 063
Income after taxation and State's share of income	R10 665	R11 130	R21 795
Capital expenditure	879	559	1 438
Dividend declared	21 000	–	21 000

Development	Quarter ended 31.3.1985 Basal Reef	Middle Reef	Leader Reef	Quarter ended 31.12.1984 Basal Reef	Middle Reef	Leader Reef
Advanced (m)	1 984	5	188	1 432	78	61
Advanced on reef (m)	409	–	132	288	58	35
Sampled (m)	390	–	114	252	58	27
Channel width (cm)	139	–	191	138	151	184
Average value – gold (g/t)	16,9	–	5,1	20,4	12,5	3,7
– (cm.g/t)	2 304	–	967	2 808	1 883	677

REMARKS

Capital expenditure
Amounts approved not yet spent – R4 857 000.
Commitments in respect of contracts placed – R1 943 000.

Dividend
On 28 February 1985 dividend No. 11 of 75 cents per share was declared payable to members registered on 15 March 1985. Dividend warrants will be posted on 3 May 1985.

NOTES

1. Development values quoted above represent actual results of sampling, and no allowance has been made for any adjustments which may be, or were, necessary when estimating ore reserves at the end of the financial years.
2. All financial figures are unaudited.
3. The quarterly reports have been approved and signed on behalf of the respective companies by two directors.
4. In all cases taxation for the current quarter has been calculated at the new rates, as announced in the recent budget, and includes adjustments in respect of the respective financial years to date.

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No news is bad news

THE CALL from the Council the Confederation of British Industry yesterday for a "controlled" fall in interest rates may well get a favourable answer in the next few days, since the Bank of England, even in its current mood—best described, perhaps, as "retired, hurt"—can only resist market forces for so long. However, even if the fall is uncontrolled, in a strict sense, it is likely to be grudging and inadequate, and will certainly come too late. British montary policy seems to have got into one of i/s characterestic tangles, and it is becoming quite a pressing question whether it can be untangled in time to prevent real damage to the economic recovery on which both business and Government hopes are based. A few weeks of the world's highest borrowing costs and an 8 per cent loss of competitiveness can be endured; a few months will destroy confidence.

The cause of the present paralysis is not new; we have seen it before as recently as 1980-81, as well as on earlier occasions. Technically, the rules have changed, and in a confusing way; but at bottom, an over-funding crisis as very much the same as an old-fashioned funding crisis. The point of both kinds of crisis is that the broadly-defined monetary statistic grows in a quite misleading and distorted way because of the efforts of the authorities to resist market forces.

Transparent

However, where an old-fashioned funding crisis produced quite transparent distortions, as tap stock remained unsold while the cash balances of investing institutions built up in hope of lower stock prices, the new ones are subtler, harder to detect and, what is perhaps most important, more embarrassing to the authorities. There was something to be said for a robust reluctance to meet the market's demand for bargain stock, even if it sometimes proved self-defeating. The current attitude does not seem to be robust at all.

The psychological causes of the present squeeze are not the kind of influences which lead to subtle management, but they are understandable. The Chancelor has had to convince the markets that the controlled devaluation of sterling, which made export-led recovery possible, has ben ended, The Prime Minister seems to have taken the desecent of sterling towards dolar parity as a personal insult; and the Bank of England has ben quite deeply wounded by accusations of laxity last year. None of this would do much harm if it could be corrected simply by a short period of unambiguously tight policy.

The trouble ins that "tight" is a very vague word in a world of floating exchange rates and multiple monetary targets. At the moment policy looks tight to a fault if it is judged by the exchange rate, by personal borrowing (down by two thirds since the first quarter of 1983), by housing starts (down sharply for the second successive year) or by real interest rates. But it still looks expansive if judged by corporate, not personal borrowings, or by the growth of the brodest monetary aggregates. It is here that the authorities run into their Catch 22. They wait for good news on these fronts, but their policies help to prevent it happening.

We explained the process of arbitrage at some length in an editorial on April 1. It must suffice on this occasion to say again that over-funding—especially when money market rates are trying to fall—creates opportunities for risk-free profit for corporate treasurers by issuing bills for the Bank of England to buy and depositing the proceeds; this short-circuits the effect of gilt sales on the money supply.

This opportunity has been growing, for three reasons: higher profits enable a growing number of companies to borrow at the keenest rates; competition for this business has driven down the margins taken by the houses which arrange arbitrage; and salesmanship is always bringing in new players. Against this rising trend, it is hard to detect the unwinding of past positions.

The Bank of England, faced with a distortion which it admits it cannot measure, insists that it is trivial. We would short-circuit this argument by saying simply that it is absurd to focus policy on numbers which are known to be distorted, whether trivially or not, and especially by means which provide an incentive to greater distortion.

In the long run, a less accident-prone technique must be developed. In the short run, we hope the authorities will respond to economic realities and market pressure with less display of sulkiness.

The factions in Lebanon

THE COLLAPSE yesterday of the Lebanese Government of National Unity confirmed what was already obvious to most Lebanese—that the country is without either goveranment or any form of national unity. Mr Rashid Karami sought as Prime Minister for the past 12-months to reverse the 10-year slide towards naitonal disintegration but with eac hsucceeding month it became clearer that the combination of internal disarray, economic decline and external interference was imposing impossible strains on what was from its inception a deeply divided Cabinet.

The immediate cause for Mr Karami's resignation was the fighting between the Amal Shi'ite militia and the Mourabitoun Sunni Moslem militia for control of West Beirut, a struggle which the Lebanese Army was powerless to prevent. The 15-hour battle, which appears to have left Amal victorious, did nothing to resolve the political future of Lebanon. But for Mr Karami, himself a Sunni Moslem, it must have destroyed any remaining confidence in Cabinet members who could participate in political discussions while simultaneously condoning contradictory military actions.

Broader issues

This latest political failure in Lebanon can only reinforce the trend towards violent solutions: in Beirut, in Sidon and the south from where Israeli troops are withdrawing, and in the north around Tripoli where Syria holds military sway. At the moment no one Lebanese faction has the capacity to impose its will nationally but it would probably be wrong to conclude that cantonisation is therefore the most likely outcome to the tragedy.

Such an outcome would depend either on the main participants being broadly satisfied with the status quo or with an external power being willing and militarily able to impose it. Neither condition exists in Lebanon today

Israel's military commanders are stil lattempting to come to terms in the south with the same group which reinforced its control yesterday of West Beirut, the Shi'ite Amal militia, at least part of which derives its political inspiration from Ayatollah Khomeini and his fellow clerics in Tehran.

While many members of Amal may believe they are fighting principally for a greater political and economic stake in Lebanon—where they are the largest single religious group—their successes or failures will be interpreted and used to demonstrate wider political purposes outside the country. Similarly, the allegiance of several hundred thousand Palestinians in Lebanon is intimately related to the struggle for control of the Palestine Liberation Organisation between Mr Yassir Arafat, the chairman, who is backed by Jordan, Egypt and Iraq, and the other PLO factions who derive suport from Syria, Libya and South Yemen.

Iran would like to prove to the Arab world that Shi'ite militancy is a far more potent froce than Arab nationalsm and has already forced an Israeli withdrawal from south Lebanon. It is also advocating that universal suffrage shaould be introduced in Lebanon as a whole, which it believes would lead to the emergence of the Middle East's second Islamic Republic.

Syria, which is in tactical alliance with Iran solely on the Gulf war, could not possibly tolerate such a development and must be observing Amal's further success with some apprehension. Yet, insofar as events in Lebanon can be used to underline Syria's critical role in future Middle East peace moves, the Damascus regime can be expected to take full advantage of them.

This intricate pattern of national self-interest emerging through what may appear on the surface to be third party disputes has never been better illustrated than in Lebanon. When it is wedded to the purely local interests of the Lebanese themselves, who after a decade of fighting appear to have lost al lcapacity for political compromise, Mr Karami's eventual resignation was all too likely.

Although he has agreed to stay on as head of a caretaker government, it is to President Amin Gemayel that the country must again look for decisive leadership. But with Mr Gemayel's own Christian community split over the issue of Syrian political involvement his authority is less than it was

The outlook for Lebanon remains, tragically, as bleak as ever.

BRITAIN'S TRADE UNIONS

Three faces of trade unionism: Moss Evans (left), Eric Hammond (right) and pickets during the miners' strike.

The tail is no longer wagging the dog

By Philip Bassett, Labour Correspondent

THREE events today highlight the stark choices and acute difficulties facing Britain's beleaguered trade unions in their bleakest spring for years.

In Sheffield, the defeated miners look set to accept the coal board's first and final pay offer for the current year. At Transport House there will be more than a whiff of old-style Tammany Hall trade union politics as the TGWU examines allegations of ballot-rigging. And in Regents Park, new-style more pragmatic, and more compliant, trade unionism is focused in the first-ever conference on no-strike deals.

Wildly different though all these seem, one common theme underlies them: the changing relationship between unions and their members.

The miners' strike conclusively proved that without the full backing of the membership, a union—however determined its leaders—will not win.

Th ballot-rigging row in the Transport and General Workers' Union shows that the horse-trading for votes which is a union stock-in-trade can be pushed too far—far enough for some members to cry foul. And the basis of the strike-free agreements concluded by the electricians' union EETPU is a completely re-thought attempt by union leaders to win members at a time when unemployment continues to savage the unions' base.

Ushered in by the recession, this reassessment of unions' operatiton and purpose was interrupted by the miners' strike: new realism, already hit hard by the Government's ban on unions at GCHQ Cheltenham, was roughly shouldered aside by the swirling, often violent, action of the strike.

The heady concoction of the strike acted like an injection of confidence direct into the unions' veins: its dismal outcome, now increasingly being recognised even on the far Left as a defeat, is causing agonising withdrawal symptoms. Post-miners, militancy looks even less of an option for unions; currently, only the teachers stagger on with industrial action in a dispute which seems to be becoming more, not less, intractable as it grinds along.

The miners' vision is historically wedded to democracy. But its strike was crippled by illegitimacy: no ballot. As Mr Norman Tebbit, now Industry Secretary, but a crucial architect of Government-inspired union change, puts it: "This strike has proved that the days when union leaders could expect their members to obey the call to strike, whatever the pretext, are gone."

His successor as Employment Secretary, Mr Tom King, agrees: "The days of trade unionism by conscription are over. Ordinary union members are no longer prepared to be taken for granted by their leaders." Conservative wishful thinking? No, according to Mr Eric Hammond, general secretary of the electricians: "Union power is only real if the members are prepared to back what the leaders ask for. In this case, they weren't."

Not only there. After their conference, dominated by Militant activists, set a high pay claim, members of the largest civil service union, the CPSA, eventually voted not to strike. True, it was by the narrowest

Horse trading for votes can be pushed too far

of margins: but in the second-largest union, the SCPS, which *did* get a strike vote (on a low poll), the refusal of Customs officers to back up their union leaders' threat of disruption over Easter, was for the union an embarrassing shambles.

"We shot ourselves in the foot," admits Mr Alistair Graham, general secretary of the CPSA. "The confusion caused by the CPSA decisions was not a pretty sight, and must have given considerable comfort to the Government."

The key to the collapse of possible Civil Service industrial action this year was the law. The Treasury went to court to force the CPSA to its ballot which called off the strike. Similar action thwarted the postal workers' planned strike over technology and part-time working, and the railway unions, threatened with separate legal action over yesterday's one-day strike in Scotland, settled their annual pay claim quickly after supporting the miners—and being warned of legal action for that as well.

Gradually, the unions are starting to realise that employers are increasingly ready to use the pre-strike ballot provisions of the Governments 1984 Trade Union Act: forced into ballots by employers, the days may be gone when the leadership of the National Union of Teachers, for example, could laughingly dismiss Press inquiries about whether then-planned action had gone out to a membership vote as irrelevant. "In practice," a policy document considered by the TUC's employment committee yesterday soberly acknowledges, "this is the area of the law which is causing most difficulty."

That may be, if unions are willing to be sidetracked from pursuing their objectives into a legal row because they haven't asked their members; in practice, though, many unions are not in difficulty, because they are balloting, exactly in line—if not more so—with the Act's specific requirements. And it can pay off: the NUT's action is now legitimate beyond argument, and stronger for it, after a 78 per cent ballot vote in its favour.

Not all unions take the point — and the argument muddies traditional left- and right-wing positions. Insisting that the union leadership draws its knowledge of members' mood from highly-attended branch meetings, Mr Fred Smithies, general secretary of the right-wing NAS/UWT teachers' union, says: "We do have a genuine dialogue with our members which quite transcends anything from a ballot." Others are less sure of their powers of divination. The left-led National Union of Public Employees saw its recommendation in Labour's deputy leadership election in 1981 turned over by the members — and it responded positively. "Ever since that time," says Mr Tom Sawyer, deputy general secretary, "we have been increasingly aware of the positive side of increased membership involvement in union decision-making."

The shift towards ballots, and greater compliance with the law, is happening.

It's not just the legislation. As a recent TUC employment paper noted, there is an "apparent wish of many members for ballots in any event, regardless of the provisions of the law." The hard evidence bears this out. A recent MORI poll found that 75 per cent of union members backed secret ballots before strikes; a majority — 52 per cent — even backed taking Government money for it.

Ballots aren't the ultimate answer to every trade union problem, though, as the current row over ballot-rigging in the TGWU is making clear.

All the law in the wildest dreams of Department of Employment civil servants won't stop those implacably determined unconstitutionally to alter a union ballot. One union official—now reformed—tells a story of how he manipulated a then-important vote, was discovered, and threatened with a re-ballot using a different system. "You can try," he told his accusers, "but I may as well tell you: there isn't a ballot method invented I can't rig."

The TGWU isn't an isolated case. In recent years, allegations of ballot-rigging have forced re-elections in the boilermakers' union, and most recently the foundry section of the engineering workers. The AUEW, too, only this week set up a further inquiry into an incident in the Birmingham South district of the union, when 36 votes were cast—34 of them for a Left-winger—at a branch meeting at which only 16 members were present.

The sections of the 1984 Act on union executive elections which will come into force in October will add to the available legal remedies to counter this kind of malpractice. But Dr David Owen, leader of the Social Democratic Party, doesn't believe they will cure it: he is pressing Mr King to amend the Act to bring in full, compulsory postal balloting as the only way "fully fair and proper" union votes can be carried out.

Current Government thinking is perhaps surprisingly in accord with much feeling inside the TGWU on the issue—that the evidence, though worrying, is at present too insubstantial for remedial action of this nature. Equally unusually, the Institute of Directors agrees, with Mr Graham Mather, its policy head, arguing that the organic change presently taking place in unions should be allowed to continue:

Organic change there is. Right-wing unions such as the white-collar Apex, the airline pilots Balpa and the Engineers' and Managers' Association are changing their rules to comply with the law. Not unexpected—but what is much more surpris-

The law may be difficult to repeal

ing is that left-led unions such as Mr Clive Jenkins' ASTMS and the National Union of Mineworkers are doing so. Even the TGWU, which refused to pay a £200,000 contempt fine arising out of a pre-strike ballot legal action (and saw the money duly seized for not doing so) is trying to draw up a central list of its widely-dispersed membership, as required by the 1984 Act.

The effects of the balloting law are difficult to evade—but they're also likely to be difficult to repeal. Mr John Evans, Labour's employment spokesman, pledges that the next Labour government will repeal "every scrap of Tory anti-trade union legislation." Professor William Brown, lately of Warwick University's Industrial Relations Unit and now at Cambridge, is more doubtful in a forthcoming academic paper: "It would be electorally difficult for a future government to repeal legislation so concerned with upholding democratic procedures. Nor would trade unions necessarily welcome its repeal."

Now that they have passed through the fire of internal change, for many unions that may be true; some too, like the NUT, are starting to see the positive values of getting a good ballot result. There's no doubt in union leaders' minds of the importance of this in the ballots now beginning—again, required by the 1984 Act—to maintain unions' political funds, on which some 8.5m trade unionists will be eligible to vote in the coming year.

Though the EETPU and the AUEW taking advantage of the law providing money for postal ballots has ruffled the TUC's feathers, Mr Norman Willis, the TUC general secretary, is foremost among those union leaders who, far from urging non-compliance with the law on political fund ballots, are campaigning strongly for a vote in favour.

The series of setbacks for the unions so far this spring has been serious

They may be permanent defeats; but for the unions, they don't have to be. Not everything—far from it—is in their hands. They may well be slithering a little further down a long, icy slope. But responding to their members must remain the key to their effectiveness.

The TUC's decision yesterday to maintain its policy of blanket opposition to the Government's labour laws, despite the eddying undercurrents against this stance from within its own ranks, let alone from the example of local practices, may be litle more than just trying to shore up the sandcastle against the tide; at some stage, the growing gap between theory and practice will become unsupportable.

Whether the way forward for the unions is through industrial action, or through cleansing their own stables of malpractices, or through no-strike deals is a matter for argument; but one outcome of the failure of the miners' strike is that argument about unions' role is once again on the respectable agenda.

Slow-moving, and little recognised, the TUC's strategy exercise—its reconsideration of what unions are for—rolls on, with a further conference on it later this month. It offers one concrete way forward, but in any case unions will have to do *something*, if only to keep up with the changes in their members' attitudes. Mostly, union pragmatism is permeating upwards, and unions have to adapt to meet it.

"The members must never be taken for granted," says Mr Terry Duffy, president of the AUEW. The dog will clearly not accept any longer being wagged by the tail.

Men and Matters

Tait's nuclear team

If the joint venture between Westinghouse and the National Nuclear Corporation is agreed, Bruce Tait, aged 56, the chief executive designate will assemble a team of up to 15 expatriate British nuclear experts in Cheshire.

At present they are scattered around the world working for Westinghouse in Pittsburgh, Brussels, and other centres where reactor design is going on.

Tait, a sandy-haired Scotsman who once worked for one of the NNC sections at Whetstone, is currently based in Brussels for Westinghouse. He commutes from his home on the Kent coast.

If the venture goes ahead Tait will install his team at Knutsford, Cheshire, where the partners plan a centre close to the headquarters of the NNC.

This reverse brain drain is, of course, founded on hopes that Britain might be about to relaunch its nuclear construction programme following the exhaustive Sizewell B public inquiry.

As Westinghouse sees it, the inquiry failed to shake confidence in the safety or economic case for its PWR in preference to the British advanced gas-cooled reactor.

Tait jokes about charges that the government and the CEGB have succumbed to high pressure Westinghouse salesmanship involving hordes of American PWR salesmen. There were just two of them—both British—himself and an engineer called Mike Owen.

Ironically, although a staunch proponent of the Westinghouse PWR—there are about 55 generating electricity worldwide—one of his first jobs for the joint venture may be to help find a name which avoids the word Westinghouse for use in Britain.

"Do you ever get that déjà vu feeling?"

Smoke signals

The tobacco industry, still upset about the higher-than-expected increase in tax imposed by the Chancellor in last month's Budget, has been given a new cause for anxiety.

Lord Pitt of Hampstead, the Labour peer, has introduced a private members' Bill in the House of Lords designed to ban all forms of advertising of tobacco products. Such a blanket prohibition goes far beyond the restrictions proposed in earlier private members' Bills which failed to reach the statute book—and Lord Pitt's more radical measure seems to have even less chance of becoming law.

A more immediate matter of concern for the industry is that negotiations are expected to begin shortly with the Government on renewing the present voluntary agreement restricting tobacco advertising, which is due to run out in the spring of next year.

The Government is under pressure to impose tougher conditions in any successor deals. Meanwhile the tobacco industry is bracing itself for the as yet unpublished Tobacco Products (Sports Sponsorship) Bill, a private members' measure promoted by Mr Roger Sims, the Conservative MP for Chislehurst.

Westminster watchers observe that the anti-smoking lobby is now stronger than ever before.

CBI choice

An impressive performance speaking up for Scottish industry as Scottish regional chairman of the Confederation of British Industry has helped David Nickson, aged 55, towards the CBI presidency.

The council nominated him deputy president yesterday. That means that in the smooth-running way these things go in the CBI upper echelons, Nickson will serve from May as deputy under president Sir James Cleminson, and will take over the top slot from Cleminson in May next year.

Nickson is hardly known in London business circles, but has made his mark in the north as chairman of Scottish and Newcastle Breweries.

He also holds several outside directorships including the Clydesdale Bank, and serves on the Scottish Economic Council.

Nickson is a product of Eton and Sandhurst. He then served in the Coldstream Guards. His first business experience was with publisher William Collins which he joined in 1954. He stayed with the group to become managing director. He joined Scottish and Newcastle in 1981 as a director.

A tall, outgoing man who, colleagues say, "gets on with people" Nickson likes nothing better than to relax in the country. His interests, he says, are fishing, bird watching, and the countryside, and he is chairman of the Countryside Commission for Scotland.

Home body

Michael Heseltine's choice as head of the Merseyside Development Corporation, Basil Bean, is to move south in August to become director-general of the National House Building Council.

The NHBC is often seen as a builders' cartel. But it is not. It is the body set up to protect home buyers against bad workmanship, and it will also be concerned, under Bean, with the thorny problem of putting up houses in areas considered environmentally difficult.

Bean's experience in Liverpool—where he was despatched in the wake of the Toxteth race riots — allied to the skills he acquired in organising last year's International Garden Festival, on the edge of the city, should give him a head start.

Bean emphasises that he will not be joining the NHBC "to sit in a grand office under a grand ceiling" in its elegant headquarters near Regents Park. Equally, he will not be leaping into controversy with both feet. "I was brought up to believe you have to examine an organisation and see how it ticks and listen to its heartbeat before deciding if major surgery is needed," he says.

The council's present director-general, Andrew Tait plans to get his golf handicap down and write books when he retires.

Measured pace

What was the small, round object Australian officials and journalists noticed hanging from the belt of the visiting Chinese Communist Party chief, Hu Yaobang? A bleeper, perhaps?

Not at all. It was a pedometer, which measures the amount of exercise he takes. China's second-most powerful man, on a 12-day tour of Australasia, is a man of regular habits. If he has not fulfilled his quota of steps at the end of each day, he takes a little stroll.

Observer

Russia under Gorbachev

Why the time is now ripe for reform

By Patrick Cockburn in Moscow

Mr Gorbachev

IN THE weeks since Mr Mikhail Gorbachev's election as leader of the Soviet Union, newspapers in Moscow have been filled with accounts of the dismissal of local Communist Party chiefs. They give detailed descriptions of corruption and incompetence.

The dismissals come at a particularly important time. President Chernenko died in March and Mr Gorbachev succeeded him at a moment which gives the new leader a good opportunity to promote the men he wants to run the country.

This is because the 27th Congress of the Soviet Communist Party is to meet at the end of this year or the beginning of next. The Congress, held every five years, sees the selection of a new Central Committee—the 300-strong body which, together with the Politburo, monopolises political power in the Soviet Union. All top jobs carry Central Committee status.

As General Secretary of the Communist Party, Mr Gorbachev will be able to ensure that the new Central Committee is more to his liking and not an inheritance, as at present, from President Brezhnev's long years in power.

The Politburo itself is down to 10 members, well below its normal complement, and Mr Gorbachev is expected to promote some of his supporters to its ranks, possibly at a meeting of the Party Central Committee expected by East European diplomats in Moscow to take place on April 22 and 23.

Likely new politburo members include Mr Yegor Ligachev, head of party personnel, Mr Eduard Shevardnadze, head of the Communist Party in Georgia and Mr Victer Chebrikov, head of the KGB.

Changes at a lower level have gathered pace since the beginning of the year when President Chernenko fell seriously ill and Mr Gorbachev took charge. This year, so far. 12 out of the 160 or so first secretaries of the district or republic Communist parties. which rule the Soviet Union, have been replaced though not all necessarily sacked. Three key ministers for oil, gas and electric power (energy absorbs one fifth of Soviet capital investment) have also been moved.

The replacement of senior personnel is likely to increase as the next Party Congress approaches with a minimum of 70 new faces expected in the Central Committee.

Equally important is the publicity surrounding the dismissals. The press has emphasised, possibly even exaggerated, the failing of local parties. In many cases, lack of enthusiasm for economic reform is linked to accusations of corruption.

The press is extremely powerful in the Soviet Union because of the absence of real political life outside the Central Committee of the party. It has emphasised that those dismissed must not simply be reappointed to other jobs. "Many leaders simply change seats from one armchair to another," said Pravda recently.

In a bizarre example of this, a man in Armenia, who specialised in the construction of zoos, managed to become managing director of four different enterprises in local light industry and consumer goods ministries through being on the Communist Party approved list.

How far do these changes in personnel imply new policies? Attempts at economic reform in 1965 and 1979 under Mr Brezhnev foundered because they were not accompanied by the removal of those who were criticised for their resistance to change. By 1982, the year that President Brezhnev died, the average age of the 114 ministers who run the Soviet economy was 72.

During his brief tenure of power, Mr Yuri Andropov began to change this—but his reforms lost momentum as it became evident he was fatally ill. Mr Chernenko, who had risen to power as Mr Brezhnev's chief aide, was hardly the man to alter significantly the system which he had done much to create, although he did not block changes.

The next year will show how far Mr Gorbachev is able and willing to change personnel and the policies they implement. His speeches, ever since he became a full member of the Politburo in 1980, have emphasised that the quantity and quality of goods produced must be raised in agriculture and industry by payment for results.

It became clear in the 1970s—having successfully industrialised itself in the previous half century—that the Soviet Union was not proving able to raise productivity, introduce innovations, increase efficiency or improve quality at anything like the rate needed. Decentralisation, new technology and a changed incentive structure for management and workers were advocated, but little was done.

It was this need for real economic change in the Soviet Union which raised Mr Gorbachev to the leadership of the country only eight years after he came to Moscow as the party Secretariat's agricultural expert.

There is a lot to do. Real decentralisation has been very limited as ministries have clung on to their authority over factory output and the current and capital budgets of individual enterprises. "Why is it that the minister, and not local miners or officials of the town of Vorkuta beyond the Arctic circle, decides whether or not the town needs a kindergarten?" asked Pravda recently.

In Omsk district in Siberia, a study showed that the director of a state farm has 26 levels of management above him leaving him with total responsibility but negligible influence over his own enterprise.

Improvements in output, the employment of new technology and increased productivity have all been hampered by the lack of material rewards for those who have introduced such changes. "Would the workers in the Ministry of Non-Ferrous Metallurgy or the Ministry of the Coal Industry have allowed their enterprises to get into such a difficult position if their own salaries had dwindled as a result?" asked a commentator recently. It is perhaps significant that Petr Lomako, the Minister for Non-Ferrous Metallurgy, is 81 and was first appointed to his post in 1940.

This year 200 Soviet schools and 300 training units will start using personal computers—but the manufacturing base for new technology has been neglected. Last week, the daily Izvestia published a letter from a man in Kazakstan who was interested in electronics, but who complained that "in the city of Guryev where I live, there is not even the simplest micro-calculator, never mind electronic games—and our city is a large industrial centre."

These problems are long term and the present changes in personnel do not mean that the Soviet economy will be transformed overnight, but without new faces in charge, reform was never going to rise above the level of rhetoric. Mr Tikhonov, the Prime Minister, for instance, is 79 years old and in operational control of the economy and the bureaucracy. He is likely to retire soon.

Mr Gobachev is fortunate that he has become General Secretary before the next five-year plan — which will decide the priorities in the Soviet economy from 1986 to 1990—is firmly in place. This again improves his room to manoeuvre, though lack of investment capital means that the options are still narrow.

One third of Soviet capital investment is absorbed by agriculture with limited returns. With another 22 per cent being spent on the energy sector (though with much better results) this leaves limited capital available for the rest of industry where the emphasis is on re-equipping and reorganising plants rather than new construction projects.

The increase in U.S. defence expenditure means that the Kremlin is likely to raise its own arms spending, which, according to Central Intelligence Agency figures has only risen by 2 per cent a year since 1976.

Somewhere within the economy, Mr Gorbachev needs to achieve a breakthrough without markedly increasing investment. He has the advantage that because of the poor management of the economy since the late 1960s, gains can be made by displaying reasonable competence.

There is, for instance, plenty of scope for energy conservation. This has improved since 1982, but energy consumption per head is still 10 per cent higher than in West Germany which has a per capita gross domestic product twice that of the Soviet Union.

It will, however, be far more difficult to implement broader plans to raise productivity throughout the economy. The subsidised price of basic goods—in many cases unchanged over 20 years and a drain on the resources of the state—will probably stay the same. These subsidies, combined with the needs of agriculture, energy and defence, limit the scope for investment in the rest of industry.

Some of the rhetoric now employed by Mr Gorbachev about economic change in the Soviet Union is eerily reminiscent of Mr Harold Wilson in Britain in 1964. Reorganisation, professional management and technology were to transform British industry. Hungarian economists walked the streets. The ossified traditions of the past were to be swept away.

Such cynicism can be carried too far. This year will see the end of the dominance in the Soviet Union of the men who rose to power during industrialisation, the purges and the war. A profound generational change has occurred. This does not mean the Soviet system will be transformed—but significant reform is now feasible which was not the case when the "Old Guard" monopolised authority.

Lombard

Reassessing the policy of 'benign neglect'

By Philip Stephens

THERE HAS been a good deal of quiet self-congratulation in the finance ministries and central banks of Europe these past few weeks.

It has been coupled with a welcome realisation that governments no longer have to regard themselves as mere spectators of the world's money markets.

As the dollar has fallen sharply from its highs the central banks have been steadily replenishing the reserves they spent attacking the U.S. currency as part of the joint intervention policy agreed in January.

Official reserve figures for April will show that the Bank of England, for example, has now recouped virtually all of its share (perhaps around $750m) of the total $11bn spent in intervention.

And it has made a handsome profit into the bargain.

Other European central banks have been doing the same with discreet but regular purchases of dollars which have gone largely unnoticed on foreign exchange markets.

It has also become clear that the Group of Five accord on joint intervention was a much more precise arrangement than hitherto appreciated.

The finance ministers, for example, set specific currency or "cross" rates at which the intervention mechanism might be triggered.

These were not always consistent as in the case of the key limits of $1.10 for the pound and DM 3.18 for the D-mark and could not always be defended; but the fact that they were put down in writing does show that the agreement went far beyond anything in recent years.

The "talking down" of the dollar by Mr Paul Volcker, the U.S. Federal Reserve Board chairman, was also part of the package, though none of the Europeans presumed to try to write Mr Volcker's speeches.

It remains far from certain to what extent the intervention has been causal rather than coincidental in the dollar's decline since February.

There are major players in the foreign exchange markets who would argue that the combination of slower U.S. growth and worries over the U.S. banking system would have anyway brought the dollar down.

But what is important is that the central banks and governments themselves appear to believe that they played a key role in persuading the markets that buying dollars was no longer a one-way bet.

And in the process there has been a sea-change in the way some of the more conservative governments of Europe see their role in the exchange markets.

Britain provides the best, and most encouraging example.

Until early this year Mr Nigel Lawson, the Chancellor, was commonly associated with the former hardline deputy at the U.S. Treasury, Mr Beryl Sprinkel, in the view that governments should confine their concern to control of domestic monetary aggregates.

Currency rates, would, sooner or later, fall into line

Currency rates, if left to themselves, would sooner or later fall into line.

Mr Lawson's change of view since then has not been simply an opportunistic response to sterling's misfortunes at the beginning of the year.

The British Treasury now believes that Government should and must attempt to influence the exchange rate not only by sticking rigidly to money supply targets, but also by making sterling an integral part of monetary policy.

There is even talk of the possibility of building up the foreign reserves again to put the Bank of England in a better position to intervene in the markets.

At the height of the crisis in February, the turnaround in the Treasury's thinking was so great that it floated with the Prime Minister the idea of immediate membership of the European Monetary System's exchange rate system.

Mrs Thatcher was not impressed, but membership remains a live issue.

None of this suggests that Mr Lawson or any other European finance minister (except perhaps the French) thinks it is time to move back to anything like a fixed rate exchange rate system.

West Germany, which has consistently played the most active role in co-ordinated intervention, shares Britain's doubts about the usefulness of the international monetary conference recently proposed by the U.S.

Both countries believe that such a meeting could raise false hopes of a new Bretton Woods-type arrangement.

At the same time while U.S. participation in the intervention marked for Washington at least a significant change of policy, the U.S. stance remains essentially minimalist (though that could change if the dollar keeps falling).

Nor is intervention regarded as a panacea which can be guaranteed to see off speculators in markets turning over tens of billions of dollars a day. Central banks openly concede that there was a fair dose of luck as well as judgment in the success of this year's operations.

But attitudes are changing. The horse laughs in some European capitals which used to greet the French idea for a series of world currency zones grouped around the dollar, EMS, and yen have been replaced by a much more subdued scepticism.

The current volatility of exchange markets and the evidence that currencies can "overshoot" for increasingly long periods have brought a painful re-assessment of the validity of "benign neglect."

The proposals to boost the surveillance role of the International Monetary Fund, currently under discussion by the Group of ten industrial nations, is a small step in the direction of much closer international co-ordination of policies to promote stable exchange rates.

It will take a great deal of time to persuade the free marketeers who hold sway in virtually every Western capital that they should get together to fix target zones for their exchange rates.

But if the dolar does as much damage on the way down as it did on the way up and Britain finally plucks up the courage to join the EMS, in two or three years' time, the idea of a world monetary conference may not seem quite so empty.

Letters to the Editor

Lessons for unions

From the General Secretary, Electrical Electronic Telecommunication and Plumbing Union

Sir,—Philip Bassett's article "High stakes in TGWU 'ballot rigging' row" (April 16) records: "It could never have happened in our union," said Mr Terry Duffy, president of the AUEW yesterday—though Mr Evans hit back adroitly by pointing out that the union movement's most notorious ballot-rigging scandal—the electricians in the 1950s—was carried out under a system of postal balloting."

I would not normally intrude into the affairs of another union but Mr Evans' assertion is simply untrue. Indeed, at the end of the 1961 "ETU trial," Mr Gardiner, counsel for the plaintiffs, said: "There are two spheres of fraud in these elections. One is at the branches and one is at headquarters. The arrangements proposed do not, in my submission, preclude fraud in the branches. The first and vital thing is to secure that the branch secretary sends to every member entitled to vote a ballot paper, and that he doesn't take one out of six out of its envelope and keep them in reserve. so that he can then pass them on to himself. If there is an order that the branch committee are to sit there night after night while the branch secretary sends out the envelopes, they won't in fact do it, and indeed they can't be made to do it—they have, of course, other things to do. . . . What is really important is that the member should be certain of receiving his ballot paper, which can be done only by his being sent it by some independent person, and that he should be then entitled to send it by post direct to that independent person."

Because the then rules of the ETU did not provide for such a fraud-proof postal balloting system, the judge could not agree although he admitted. . . . "If I had been a caliph under a palm tree, I should have done precisely what he (Mr Gardiner) asked me to do."

The members of the ETU were appalled by the fraud committed by Communist officials but also recognised the vulnerability of the branch based election system to such corruption. They changed the union's election rules in 1962 to provide for:

ballot papers to be sent to each member by the independent Electoral Reform Society:

ballot papers to be accompanied by election addresses for each candidate together with a pre-paid envelope to return the ballot paper to the Electoral Reform Society;

the Electoral Reform Society to count the votes in the presence of the candidates and report the result to the union.

Of course, the Communists were better organised in the ETU of the 1950s than in other unions but it was the branch-based election system that gave the "riggers" the opportunity.

The lesson of the ETU's exposed conspiracy was not one for my union alone but for the whole trade union movement. If the TGWU had heeded it, then it would have "adroitly" avoided its present disarray.

E. A. Hammond.
Hayes Court,
West Common Road,
Bromley, Kent.

A takeover custom

From Mr C. Whitmey

Sir,—David Cohen's comments on Furniss v Dawson (April 13) are interesting in their relationship to that City practice of capital reorganisation of a company at the time of a takeover to "facilitate the implementation of the ordinary offer and to reduce the costs associated with it"—to use the words of a merchant bank in its recent letter to shareholders of the offeree company.

The bank has confirmed in conversation that its felicitous phrasing is synonymous with "non-payment of transfer stamp." I realise that the £23 transfer stamp I paid when buying my shares is in a different league to the some £2.5m of the offeror company! But 1 per cent is 1 per cent is 1 per cent and £2.5m is £2.5m to the Inland Revenue.

This common City practice, or takeover custom, is open to question on two fronts. Is the reorganisation of capital for the benefit of the company and therefore for a lawful purpose? Is the all-embracing "form of acceptance" a proper instrument of transfer under the Stamp Act 1891 and therefore liable to ad valorem stamp duty?

The bank has kindly passed my detailed argument to its lawyers. Meanwhile I have exercised my right, under the Stamp Act 1891, to have the form of acceptance adjudicated for ad valorem stamp duty. I await with interest the respective replies to see if "Mr Dawson" and "Mr Furniss" agree on the matter.

With regard to Mr Cohen's point about IBA and a 999 year lease is not the proper test the question. "Was the reality of the intention of the lessor to divest himself completely of the property?" i.e. is there, pepper-corns apart, any commercial difference between being the lessor rather than the vendor. If the answer is negative then could it not be argued that the lease is a "sham" for a sale?

In this context it is worth recalling the words of Lord Diplock in his speech in IRC v Burmah Oil (1981): "The Duke of Westminster's case was about a simple transaction entered into between two real persons each with a mind of his own, the Duke and his gardener." I do not think the Duke or his gardener were pretending to be other than what in reality they were.

Christopher J. Whitmey.
Oldstone Furlong,
Fownhope,
Hereford.

Sponsors and the arts

From the President, Actors Campaign Against Tobacco Sponsorship

Sir,—Peter Plouviez's letter (April 11) is sadly correct when he states the Equity council view on tobacco sponsorship "Money from any legal source is welcome." At the 1984 Equity AGM however, the membership passed a resolution condemning tobacco sponsorship, the council saw fit "in the interests of the members" to set aside this decision.

If it is in the interests of Equity members to respectabilise and endorse products which are responsible for thousands of premature deaths annually including a number of Equity members then I am a monkey's uncle. But even he would think twice before encouraging his niece or nephew into such a dangerous habit as cigarette smoking.

Warren Mitchell.
c/o British Actors,
Equity Association,
8, Harley Street, W.1.

Entertaining and travelling costs

From the Managing Director, Narracott Financial Services

Sir,—Arthur Sandles' report (April 11) on the Inland Revenue tightening up on travel perks is part of the "game" played by a number of British managers in getting an extra "perk."

What many senior management in companies do not always appreciate is the extent of some of these perks. Many of them started with the 1970s pay freeze and pay restraint legislation. Very few companies have calculated what it costs them in providing "all the perks." As many of these costs are hidden (that is, not specifically identifiable) there is no budget for them and therefore rarely are they subject to annual budget examination.

The whole subject is tricky due to the complexities of remuneration packages (including formally agreed perks) and the involvement of some senior management in having to "review" their own cost to the company.

Reviews often unearth some unusual practices which the companies (ignoring the taxman) on ascertaining the facts wish to end for either cost control or business ethics reasons or just because it is bad management policy to allow such hidden practices to continue.

D. A. Potter.
Dunbar House, Radford Semele,
Leamington Spa, Warwicks.

Salaries and jobs

From Mr H. Ruff

Sir,—Michael Dixon's table at the centre of his article "Bonanza for key bankers and headhunters" (April 11) supports nothing more than the fact that the figures are based upon "the average of the salaries that people in various jobs said they were receiving when they applied through Wren for another post." It would be more illuminating to present an accompanying frequency table showing the number of jobs actually offered at those salaries by a random group of recruitment agencies and through the appointments columns of the Financial Times itself. I would hazard a guess that a very low frequency would appear. It would then be useful for Mr Dixon to carry out a little personal research by "telephoning around a random group of names that appear in the Euromoney Directory to inquire how often they had been 'headhunted' arbitrarily over say the last six months." I would hazard another guess and say the frequency was pretty high.

All this would go much further in supporting the contention that headhunters are out for easy pickings. It would provide ammunition to destroy the myth that there is a bonanza (except perhaps for recruitment agencies) and in a small way it may encourage employers to save themselves a lot of money by poaching (pronounced recruiting) staff directly by means of skillfully fingering the Euromoney Directory. If high quality staff is in short supply, the merry-go-round of poaching such staff should result in salaries actually approaching the levels indicated in Mr Dixon's table and may lead the more astute to consider training as the inexpensive option.

H. J. Ruff.
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Hillcroft Crescent, W5.

FINANCIAL TIMES

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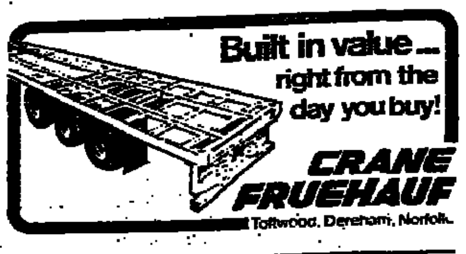


David Housego reports on a buoyant sector of the French wine industry

Bouquets and bruises for Bordeaux

THESE ARE boom times for Bordeaux wine. Three good vintages in a row – 1981, 1982 and 1983 – have pushed up prices to an extent not seen for a decade.

Exports from Bordeaux, which accounts for about a third of French *appellation controllée* wine, were at a record last year, with the U.S. in particular buying more than ever. The few *cru classé* (main growth) vineyards which have been put up for sale have fetched prices which have left other chateau owners gasping.

However, among the shippers, merchants and brokers of Bordeaux – a city of long waterfronts which is still dominated by the wine trade – there is no sense of euphoria. Bordeaux is still haunted by the slump in prices of 1973-74, which brought heavy losses to the merchant houses (*negociants*) who carried large stock, and drove some out of business.

Since then, the *negociants* of Bordeaux have kept their stocks to a minimum. They have thus benefited relatively little from the doubling or trebling in price of fine Bordeaux 1982s, which have brought good cheer to claret lovers who bought them early and substantial capital gains to foreign importers and some chateau owners.

If anything, there is unease in Bordeaux that prices of the top *cru classés* have climbed too dizzily high and that speculators have entered the market. The 1982 Chateau Lafite-Rothschild and Chateau Latour – the two leading *grands crus* of Bordeaux now sell within the wine trade in Bordeaux at FFr 500 ($54) a bottle. "At that price you don't open a bottle of wine for even your best friend or your mistress," says M Jean Paul Jauffret, head of the Dutch-controlled CVBG one of the largest Bordeaux *negociants*. They are also wines which take at least 10 to 15 years to mature.

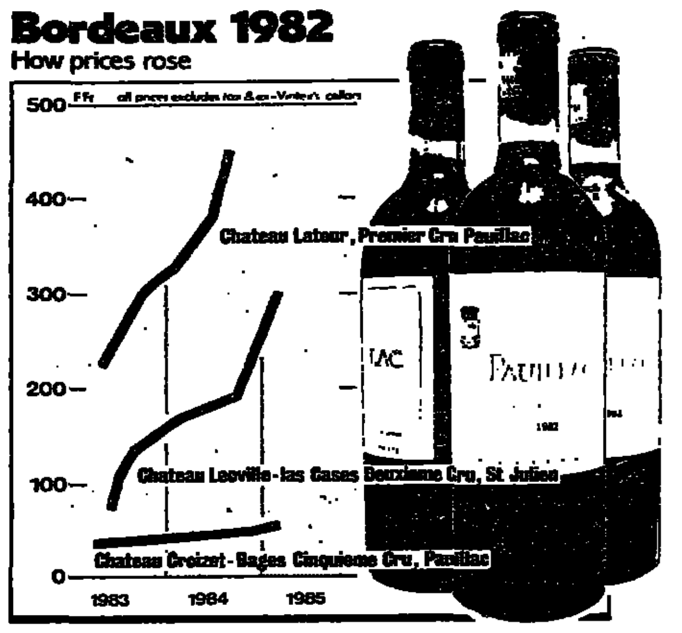
What the Bordeaux wine trade now fears is that the major vineyard owners will try to drive prices for 1984 and 1985 wines up above the 1983 levels. The 1984 vintage was of uneven quality and there are fears that 1985 could be affected by the hard frosts at the beginning of the year. It was the wine trade itself, continuing to force up prices despite a less good vintage, which brought about the slump of 1973-74.

The boom in Bordeaux wine has been due to a combination of exceptional factors. Mr William Blatch, the president of Vintex, a recently established firm of *negociants*, says: "It is a long time since we had three good vintages in a row. This has come at a time when the dollar was high and there has been more of a market for fine wine. It all coincided wonderfully."

By general consensus 1982 was one of the great vintages of the century in Bordeaux. It was flanked by a good year in 1981 and potentially another exceptional year in 1983.

The market for good claret has been expanding – boosted in particular in the U.S. by the climb in the dollar, which has been trading at a rate of FFr 9 or FFr 10 of late, compared with little more than FFr 4 in 1980. The result has been that for the top 30 or 40 *crus classés* prices for 1982 Bordeaux have doubled or tripled since they were first offered for sale in 1983. The trade price for a Chateau Leoville-Las Cases, a second growth Bordeaux, has thus moved up from FFr 73 a bottle in June 1983 to FFr 300 a bottle in March this year – when it was difficult to obtain.

Only a small number of *negociants* such as the French family-owned concerns of Moueix and Mme Jean Descaves, still hold substantial stocks and have thus reaped the potential capital gains.



Most unloaded their 1982s as rapidly as they had purchasers for them – in contrast to the years before 1973-74 when such large *negociants* as Cruse and Ginestet purchased the whole output of chateaux to an extent which could exert an influence on prices.

Under the existing system, the major chateaux sell an initial 30-50 per cent of their vintage *en primeur* (when the wine is still in casks) in the spring or summer after the harvest. The opening prices are set by the vineyards, which position themselves according to their place in the hierarchy of *crus classés*.

Only a few chateaux have a policy of keeping large stocks – and those that do keep quiet about it. Thus most of the 1982 vintage was sold by the Bordeaux region before the climb in prices had occurred. Those who have reaped the capital gains, Mr Blatch maintains, are the wine drinkers.

Bordeaux is not shedding tears at the profits it has foregone but rather congratulating itself on its prudence. It enters what could be the difficult *campagnes* (selling seasons) *of 1984 and 1985 with minimum* stocks on its hands.

It prefers, according to M Antoine Hernandez, head of SDVF (Societé de Distribution des Vins Fins), the stable profits of less exceptional years such as 1979 to the speculative risks which go with a great vintage like 1982.

Bordeaux's prudence, however, also reflects the fact that the Bordeaux wine trade is greatly undercapitalised in relation to its turnover or compared with the financial resources deployed by the large trading houses of the Champagne or Cognac regions. A good many vineyard owners complain that this weakness contributes to the uncertainty both of prices and profits.

The 1973-74 crash transformed the Bordeaux wine trade in two main ways. It led to a succession of failures, mergers and takeovers which have increased the influence of major groups or of foreign multinationals over the trade. Among the major houses, Dourthe and Kressman are now part of the Dutch-owned CVBG; Barton and Guestier belongs to Seagrams of Canada; De Luze was taken over by Remy Martin Cognac; and Cruse by Société des Vins de France. In all, some 20 to 30 *negociants* now dominate the Bordeaux trade.

The second change is that in the long-standing battle between the vineyard owners and the *negociants*, power has further shifted to the chateaux – a reversal of the situation in the 1930s.

The most dramatic sign of this shift of power has been the high prices at which good vineyards have been changing hands. Chateaux Phelan-Segur, a *grand cru bourgeois* estate of 57 hectares, was recently sold for FFr 45m. "I can remember purchasing the whole 1974 vintage at FFr 7 a bottle" says M Hernandez. The price compares with the FFr 12m that the Pearson group of the UK and its partners paid for Chateau Latour in the early 1960s.

THE LEX COLUMN

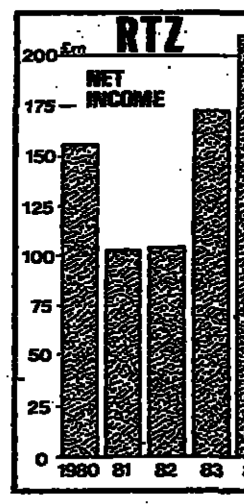
Twisted threads round Tootal

For market astrologers, and other people who look at charts, the conjunction of today's PSBR figure in the UK with the U.S. statistic for GNP growth has been looking like a critical moment for the dollar and for sterling interest rates alike. If the stars are being read correctly, with optimism on UK public spending suddenly gaining ground while gloom about the U.S. financial system intensifies, base rate cuts today are a real possibility.

RTZ

RTZ was refreshingly blunt yesterday about the unsatisfactory returns being earned on both its operating assets and its shareholders' funds. The problem is being tackled *through a revamped management* structure which looks remarkably like the new-look GEC. Unfortunately, RTZ has rather less control over its own destiny than the team at Stanhope Gate.

Yesterday's preliminary results, which showed a 22 per cent gain in attributable profits to £211m, demonstrated quite clearly the effect of exchange rates on both the revenue account and the balance sheet. Almost all of the £410m increase in term debt was attributable to the dollar, while just under half the earnings growth also came down to exchange rates, with Borax dollar earnings again strongly to the fore. In its metal operations, RTZ has almost no control over the price of the product and – in some instances – over the strategy of the local management. The industrial interests are a different matter and here RTZ is producing returns of capital in the 25 per cent area. But, for the market, RTZ remains a metal business and yesterday the shares slipped 13p to 642p, where they stand on a humdrum multiple of 8½ times, assuming 1985 earnings of £225m.



Entrad/Tootal

J. Rothschild Holdings does not set out to be a transparent operator in the markets, but its late entry into the Entrad/Tootal affair is positively sphinxlike. If the U.S. practice of arbitrage in takeover battles has truly arrived in these shores, it seems to have passed through a looking-glass on the way.

After all, it is scarcely usual for an arbitrageur to enter a contested bid with the final offer on the table and all but no hope of a better one from elsewhere, before the closing date. If the bid succeeds, Rothschild Holdings will show a small loss on its investment; but if it fails – which is apparently the RH intention – it is a fair bet that the Tootal price will fall back, in which case RH might just as well have bought more cheaply later on. RH is admittedly well protected by the Tootal yield, but this is evidently no ordinary portfolio investment.

It could be that RH is convinced that a third party will offer for Tootal as soon as the dust of the Entrad bid has settled. But it has been a feature of the present bid that Tootal has not appeared a particularly tempting target, as Entrad's cheese-paring approach well indicates; and Tootal would be something of a mouthful for the likes of Vantona.

While the RH stake would otherwise have ended with Entrad, arbitrageurs are a brutally even-handed lot and Tootal cannot be exactly relieved at the new entrant. It is conceivable that Tootal might now see some virtue in settling with Entrad at a price even higher than the 75p or so Rothschild Holdings paid; but it is not very conceivable.

The RH intervention quite overshadowed Tootal's brush with the Takeover Panel and Entrad's ingenious scheme to offer its shares in London. Since Tootal would be by far the largest part of the combined group, that looked a tempting way of allowing institutions to sell Tootal now and buy it back more cheaply later on. A rum business.

BPCC

Mr Robert Maxwell has been accused of many things, but seldom of adopting conservative accounting policies. So the changed treatment of closure costs in the BPCC accounts – taking £4m above the line that would have been extraordinary last year – must be taken as a sign of the changing times; BPCC's recovery is evidently now so well established, that such luxuries can be afforded, as well as the lavish distribution of dividends.

At 194p – just 4p above the underwriting price for its Bishopsgate purchase last year – the BPCC shares are yielding almost 8½ per cent, which says as much about the remaining scepticism around the City as it does about BPCC's new found ability to throw off cash.

The quality of BPCC's after tax profit of £40.4m is perhaps more solid than the rating suggests, though the negative overall tax charge could not be achieved without group relief from Pergamon – a wasting asset, surely. Moreover, almost all of the increase in profits for 1984 came from BPCC's success as a redeveloper of its property portfolio.

While profits from this source can be extended for a few years yet, there will doubtless come a time when the group needs growth of more than £900,000 from printing, packaging and publishing.

AT & T

AT & T was made to look quite the ugly duckling during last year's British Telecom launch. The British company, so the argument ran, offered far superior growth prospects because it was not committed to the manufacture of obsolescent products, attracted minimal domestic competition, enjoyed greater freedom to diversify and had more scope to improve labour productivity. These arguments are fully reflected in the relative ratings of the two companies and still hold good.

Yet AT & T's net income rose 56 per cent to $354m during the first quarter, thanks in large measure to sales of telecommunications equipment. The group is insuring itself against the shortages of semiconductors which damaged last year's results by acquiring bottom-of-the-market manufacturing facilities from Honeywell, and is set to launch a range of microprocessors.

The 5.6 per cent reduction in long-distance tariffs announced yesterday should have a neutral short-term effect on earnings, since it is offset by the introduction of a line charge on subscribers, and may eventually benefit AT & T by narrowing the tariff gap with its competitors. Life at AT & T seems tolerably profitable after all.

Nova-Park hotel group declared bankrupt

By John Wicks in Zurich

NOVA-PARK, the debt-ridden Swiss group which owns luxury hotels in Zurich and Paris, has been declared bankrupt by a court in Zurich.

The court application was brought by Crédit Suisse, a major creditor with preferred claims of around SwFr 60m ($23.7m). Nova-Park's total debts are understood to exceed SwFr 200m.

Smaller claims against the company, which narrowly staved off an insolvency suit in December, were brought by two other Swiss banks, Banque Privée and Bank für Handel und Effekten.

Nova-Park, drained of funds by financial difficulties, has been riven by boardroom in-fighting for nearly a year. Its colourful founder, Mr René Hatt, heads the management team.

The company's difficulties are rooted in the decision, taken nearly six years ago, to spend heavily on the renovation of the Gotham Hotel on Fifth Avenue, New York. As refurbishment costs mounted, Nova-Park ran out of cash. It subsequently lost control of the Gotham Hotel to creditors.

A bankruptcy ruling against Nova-Park was reversed just before Christmas when American investors met a SwFr 5.1m claim by Forfaitierung und Finanz, a Zurich subsidiary of the German Badische Kommunale Landesbank.

The judge did not comment yesterday on a last-minute statement by Mr Hatt that a new group of investors had been found who were prepared to put up $120m.

The court judgment, against *which Nova-Park can appeal within* 10 days, followed an extraordinary general meeting of Nova-Park shareholders in Zurich.

A representative of the dissident shareholders, who have opposed the board since last summer, called at this meeting for the presentation of a balance sheet.

Battle reaches an end, Page 20

Britain may make soft loans to boost share of China trade

BY CHRISTIAN TYLER, TRADE EDITOR, IN LONDON

BRITAIN is considering whether to offer "soft" loans to China to match competition from other countries and boost the UK's small share of the fast-moving Chinese market.

The review of policy follows repeated demands from industrialists who have reported that Chinese buyers are now looking for credit at highly concessional rates of around 3 per cent.

It may also have been hastened by a report from Lord Young, a British minister without portfolio, who recently led a heavyweight trade mission to the country.

On Tuesday, the French Government signed an agreement in Peking providing FFr 1.75bn ($189m) of mixed credits – combinations of aid money and commercial loans – in the hope of securing big telecommunications contracts.

Japan, West Germany, Italy and now France have already broken a five-year-old informal agreement among the rich nations not to extend soft loans to China.

A hint that Britain might join the credit race was given yesterday at a meeting of the House of Commons select committee on trade and industry, nine of whose members are to visit China shortly.

Mr David Hall, assistant secretary at the Department of Trade and Industry (DTI) responsible for trade with the Far East, confirmed that the Government was considering the question. He added, however, that requests for subsidised credit raised serious problems. The limited aid budget was under serious pressure and ministers believed it was in Britain's interest to sell as far as possible on commercial terms.

Lord Young pointed out recently that China, which has healthy foreign exchange reserves of around $17bn, is paying cash for many of its big equipment orders and the UK should be able to compete on quality and price alone in the prime sectors.

However, an analysis by the DTI released yesterday shows that since 1979 Japan has arranged "development" loans for China of over £5bn, on long repayment and at rates between 3 and 6¼ per cent. They are being used for large energy, transport, telecommunications and industrial projects.

West Germany has offered more than £100m for shipping and a bilateral aid programme has been discussed. Italy was "rumoured" to be offering around $100m of soft credit, and Denmark had advanced about £100m over 25 years, interest-free, in a mixed credit package. Sweden, Belgium, the Netherlands and Australia had also extended cheap loans or grants of smaller amounts.

Britain's present trade and aid budget is only £66m, or 5 per cent of the total UK aid programme. UK exports to China account for 3 per cent or less of all OECD country sales to the country.

Britain criticised over exports support, Page 7

European groups to study Nato helicopter

By Paul Betts in Paris

FIVE EUROPEAN aerospace groups have signed an initial agreement to make a feasibility study for the construction of a new tactical transport helicopter for army and navy use.

The agreement involves the so-called Nato Helicopter for the 1990s (NH-90) project and links Aérospatiale of France, Agusta of Italy, Westland of the UK, Messerschmitt-Bölkow-Blohm (MBB) of West Germany, and Fokker of the Netherlands.

The French state-owned group said yesterday that the agreement between the five industrial companies had been signed on April 10 and that Aérospatiale had been chosen to co-ordinate the project with support from Agusta.

Aérospatiale also indicated yesterday that the defence ministers from the five European countries had shown interest in the proposed project earlier this year.

The recently signed memoran*dum of understanding* between the five groups is the first stage in the long and tortuous process for such projects.

Michael Donne in London writes: Westland will participate in the studies without prejudice to its desire to see its own Westland W-30 acquired by the Ministry of Defence as the UK's troop transport helicopter replacement programme, named AST-404.

The latter is in an Air Staff Target prepared by the RAF to tell the aerospace industries what it would like to see to replace the existing ageing Wessex and Puma helicopters in the RAF and army. The AST-404 would be needed earlier than any European NH-90 could emerge.

In addition to the Westland W-30 submission for AST-404, Short Brothers of Belfast, in conjunction with Sikorsky of the U.S., is submitting a version of the latter's Blackhawk, already extensively used by the U.S. but to be fitted with the Rolls-Royce RTM-322 engine.

The U.S. Army is strongly interested in the RTM-322-powered Blackhawk, and might buy it in quantity. Such a deal might be jeopardised if the UK backed out of AST-404 and became fully committed to the European NH-90.

The UK agreed to enter the NH-90 studies earlier this year, although they had been in progress for some time. Its Defence Ministry's view was that it was better to be in such studies than out of them, but without in any way constraining the UK's own course of action on an interim helicopter purchase

Another reason for joining NH-90, at least in the next phase of feasibility studies, was that the UK, anxious to get the European Fighter Aircraft (EFA) rolling, did not want to be seen to be turning its back on European aerospace collaboration in any way.

Lebanon chief to remain as caretaker

Continued from Page 1

Nasserite organisations following several days of tension with Amal units.

The Shian Amal milita, which has surrounded refugee camps since it gained control of West Beirut last year, has been searching them for weapons in the wake of reports that Arafat loyalists were staging a comeback to the embattled Lebanese capital.

The House of Mr Nabih Berri, Amal's leader as well as Minister of Justice, in the densely-populated neighborhood of Barbour was hit by four rockets and he and his family had to be evacuated. Druze militiamen moved during the night to seal off areas along the seafront district and enable-Shian Amal militiamen to close in on the Mourabitoun and their supporters.

J. Rothschild buys into bid battle for Tootal

BY CHARLES BATCHELOR IN LONDON

THE £128m takeover bid for Tootal, one of the big four British textile groups, from Entrad, the Australian textile concern, took a surprise new turn late yesterday with the intervention of J. Rothschild Holdings, the UK investment company run by Mr Jacob Rothschild.

Less than 24 hours before the climax of the 10-week bid battle, Rothschild disclosed that it had taken a 6.4 per cent stake in Tootal in a move that might help to defeat the Entrad offer.

Stock-market purchases by Rothschild of Tootal shares over the past 10 days have helped to underpin the Tootal share price, currently 75p. Entrad is offering just under 74½p in the form of a 72½p cash bid and a promise to let Tootal shareholders keep a 1.87p dividend.

Rothschild emphasised that it was not taking sides but said it thought the Entrad offer was inadequate and that Tootal's shares were attractive at their current price. It might buy more shares, it added.

The last-minute intervention of Rothschild left Entrad and Tootal both perplexed. Such interventions in takeover bids normally take place much earlier in the contest, when there is still the prospect of a further rise in the share price.

Rothschild's arrival on the field of battle came on a day already packed with incident.

The Takeover Panel stepped into the ring with a rap over the knuckles for Tootal for the way it had conducted its defence. The panel said Tootal should not have made its weekend claim that shareholders owing 35 per cent of its equity would support the company in rejecting the bid.

See Lex

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	21	70	Dubrovnik	R	14	57	Malaga	S	21	70	Salzburg	C	11	52
Akrotiri	S	27	81	Faro	S	21	70	Malta	F	17	63	Seoul	C	8	46
Algiers	-	—	—	Florence	F	17	63	Manila	S	36	97	Singapore	S	33	91
Amsterdam	F	14	57	Frankfurt	S	12	54	Miami	C	30	86	Stockholm	R	7	45
Athens	S	19	66	Funchal	F	20	68	Milan	S	16	61	Strasbourg	S	14	57
Bahrain	S	27	81	Geneva	S	14	57	Moscow	C	6	43	Sydney	F	20	68
Bangkok	R	31	88	Gibraltar	S	19	66	Munich	S	8	46	Taipei	S	26	79
Barcelona	S	18	64	Guernsey	S	13	55	Nairobi	C	21	70	Tangier	S	25	77
Beirut	F	30	86	Helsinki	S	7	45	Naples	F	13	55	Tehran	-	—	—
Belgrade	R	9	48	H Kong	F	25	77	New Delhi	S	34	93	Tel Aviv	S	32	90
Berlin	S	13	55	Innsbruck	F	9	48	New York	F	24	75	Tenerife	S	22	72
Biarritz	S	18	64	Inverness	S	11	52	Nice	-	—	—	Tokyo	S	18	64
Blackpool	C	11	52	Istanbul	F	13	55	Oporto	S	25	77	Toronto	F	9	48
Bordeaux	S	19	66	Jersey	S	14	57	Oslo	S	6	43	Tunis	R	14	57
Brussels	F	15	59	Jo'burg	F	22	72	Paris	S	15	59	Valencia	S	23	73
Budapest	F	15	59	Las Palmas	S	23	73	Prague	C	8	46	Venice	S	16	61
B. Aires	R	22	72	Lima	F	26	79	Reykjavik	C	4	39	Vienna	C	10	50
Cairo	S	36	97	Lisbon	S	22	72	Rio de J'o	C	34	93	Warsaw	S	11	52
Cape Town	C	20	68	Locarno	S	20	68	Rome	S	19	66	Zurich	S	11	52
Caracas	C	29	84	London	F	17	63								
Casablanca	S	25	77	Los Angeles	C	21	70								
Copenhagen	F	12	54	Luxembourg	F	12	54								
Corfu	F	16	61	Madrid	S	20	68								
Dublin	C	13	55	Majorca	S	23	73								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

Manufacturers Hanover up 19%

BY PAUL TAYLOR IN NEW YORK

MANUFACTURERS HANOVER, the fourth-largest banking group in the U.S., yesterday reported a *19.3* per cent gain in first-quarter net earnings, while First Interstate Bancorp, posted a 12.2 per cent gain.

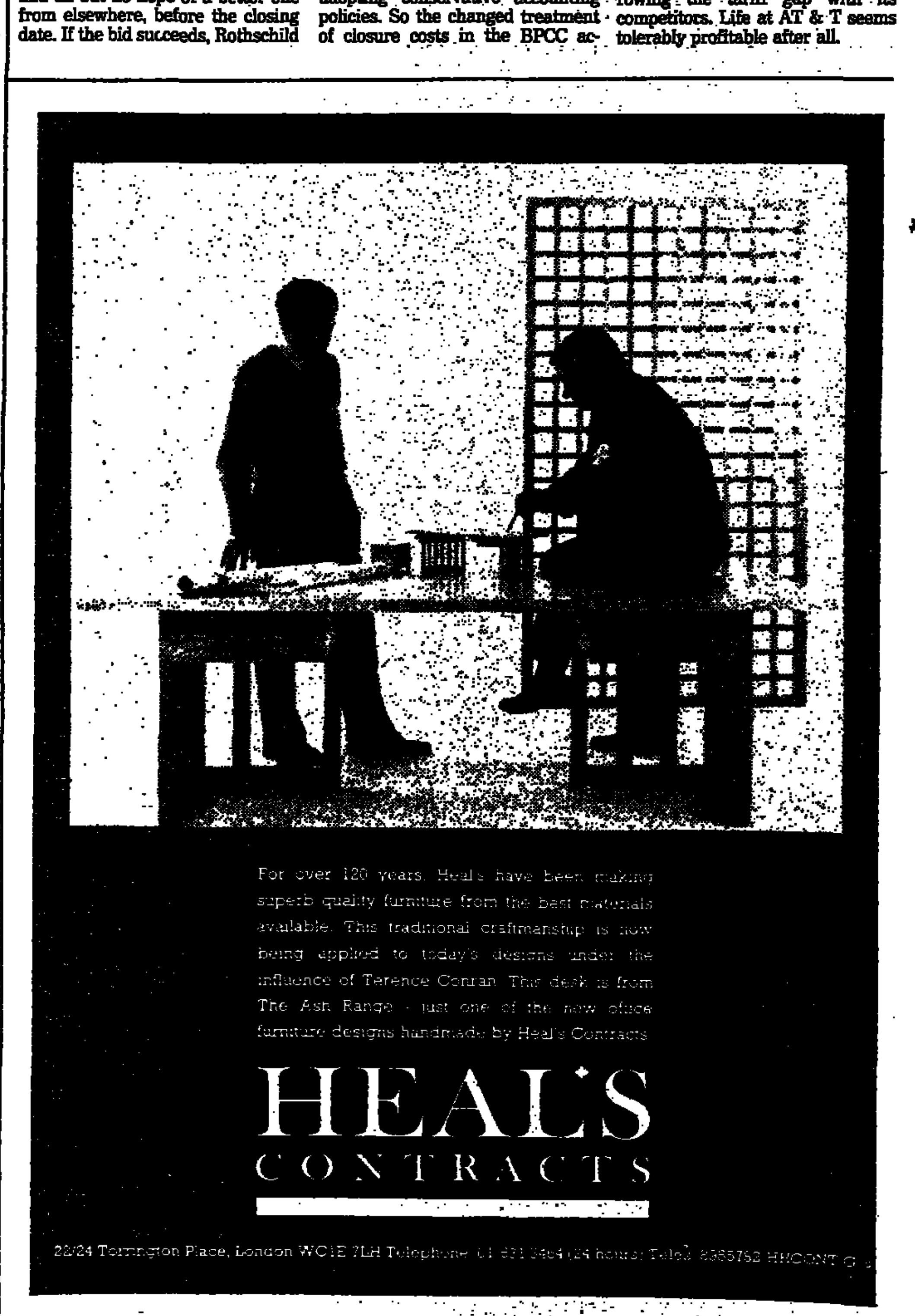
The latest results complete the set of earnings releases from the leading U.S. banks – a set of generally-sparkling results which have seen net earnings at nine of the 10 largest banks increase by an average of more than 17 per cent to almost $1.15bn, and only First Chicago post a year-on-year earnings decline.

Manufacturers Hanover said first-quarter net earnings grew to $100.2m or $2.01 a share from $84m or $1.88 a share a year ago.

The New York-based banking group said first-quarter earnings reflect a 22.3 per cent increase in net interest revenue to $540.4m and a 32.5 per cent or $55.1m increase in non-interest revenue. A higher provision for loan losses which grew to $103.7m from $62.5m a year earlier partially offset these gains.

First Interstate, whose net earnings increased to $71.5m or $1.57 a share from $63.7m or $1.52 a share, also noted that much of the gain came from higher net interest income.

More U.S. bank results, Page 27



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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday April 18 1985

Amex profits advance in line with expectations

BY OUR FINANCIAL STAFF

AMERICAN EXPRESS, the fast-growing financial services, insurance and international banking group, yesterday reported a 30 per cent increase in first-quarter net profits, in line with the company's expectations.

Earnings rose from $116.2m, or 54 cents a share, to $151.6m, or 67 cents a share, while revenues advanced from $2.89bn to $3.44bn. The profits rise would have been much higher without a tax provision of $51.4m, against just $5.5m in the 1984 period.

The results further extend Amex's earnings recovery following problems in its Fireman's Fund insurance subsidiary at the end of 1983. In the latest quarter, insurance services registered net income of $9.3m, against $10m a year earlier, and property liability operations had a loss of $4.1m compared with a profit of $5.5m.

However, Amex said prices continued to rise significantly throughout the property liability industry and the claim count for Fireman's Fund continued to decline as a result of a programme to tighten underwriting criteria.

Amex said its travel-related services unit lifted first-quarter net income from $71m a year ago to $86m. It said 20.7m cards were in force, up 15 per cent over last year.

Profits in the investment services rose from $25m to $31m. The current quarter includes the effect of Lehman Brothers Kuhn Loeb, which Amex acquired in May 1984.

In the international banking division, net income rose slightly to $38.6m.

Major U.S. computer groups up

BY OUR FINANCIAL STAFF

TWO major U.S. computer manufacturers, Honeywell and Burroughs, produced higher net profits for the first quarter of 1985.

Honeywell lifted profit from $39.6m, or 84 cents a share, to $46.2m, or $1 a share, on sales of $1.48bn, against $1.38bn a year ago.

Earnings were boosted by substantial advances in aerospace and defence products, while results for information systems also increased.

Last year's results included a one-time loss of $5.4m on discontinued operations.

Burroughs showed an advance in earnings from $43m to $46.6m, or from 95 cents to $1.03 a share, on sales of $1.17bn, compared with $1.08bn a year ago. Income in the latest quarter was, after a charge of $3.1m, related to some restructuring.

The company said commercial orders in the U.S. were relatively flat but strengthened towards the end of the quarter.

International orders were very strong in local currencies and up modestly in dollar terms.

Apple Computer, the U.S. personal computer maker, meanwhile saw growth slow in its second quarter to March. Earnings rose from $9.13m, or 15 cents a share, to $9.98m, or 16 cents a share, taking the six months' total from $14.95m, or 25 cents a share, to $56.08m, or 91 cents a share. Sales for the half-year jumped to $1.13bn, up from $616m, with a rise to $435m in the latest quarter from $300m.

Apple said that its business in the education market during the second quarter exceeded its expectations. It forecast continued strength in this market.

Meanwhile **Storage Technology**, the computer peripherals company in Chapter 11 of the U.S. bankruptcy code, reported that its loss in the fourth quarter of 1984 was $419.2m, or $12.13 a share, compared with a loss of $35.4m, or $1.03, a year earlier. The loss this time was after a $279.7m charge relating to disposals and reorganisation.

Champion ahead after acquisition

By Our Financial Staff

CHAMPION International, the major U.S. forest products group, posted a 50 per cent increase in first-quarter profits, due substantially to the contribution from St Regis, acquired last year for $1.8bn.

Net earnings jumped from $29.1m, or 46 cents a share, to $43.7m, or 43 cents, on increased shares outstanding. For 1984 the company reported a $6m loss following a $150m write-off related to restructuring of the building products business. First-quarter sales rose from $1.15bn to $1.65bn.

Mr Andrew Siegler, chairman and chief executive officer, said Champion and St Regis were now fully merged. The company was actively negotiating several divestitures.

Operating profits in the company's paper segment jumped from $60m in the 1984 period to $113m. Results for publication papers continued to improve, but newsprint results were lower.

In the packaging segment, operating results were $24m, up from $8m a year ago but down from $32m in the 1984 fourth quarter. The company said overall demand for containers softened during the first quarter.

Operating profits in the building products segment were down from $10m in the 1984 period to $6m.

Senior executive at Ericsson resigns

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

MR FRITZ STAFFAS, the chief financial officer and controller of Ericsson, the Swedish telecommunications and business information systems concern, is to leave the company in the autumn.

The announcement of his departure caught financial markets by surprise. It comes at a time when the group is trying to rebuild its image following a disappointing financial performance in 1984.

Ericsson suffered a 10.7 per cent drop in profits last year and fell heavily into loss in one of its most important business areas, information systems, which accounts for around one third of turnover.

The drop in profits came as a shock to investors, who had been assured as late as October that profits were expected to rise by around 20 per cent in line with earlier forecasts.

Its share price plunged and despite a recent modest recovery it is still trading at around more than 40 per cent below the 1983 peak.

Mr Staffas said last night that he was to become president and chief executive officer of Philipson Invest, a group which was launched on the Stockholm stock exchange in December 1983 and has interests in car distribution, property and construction management.

It has sales of close to SKr 2bn ($227.2m) and is the general agent in Sweden for Mercedes Benz and Nissan.

Eastern Air Lines in black

BY OUR FINANCIAL STAFF

EASTERN AIR Lines, the Miami-based carrier, returned to the black in the first quarter, posting profits of $24.3m, or 35 cents a share, compared with a loss of $28.1m, or 97 cents, last time. Revenues rose from $1.07bn to $1.22bn.

Eastern reported a 1984 net loss of $37.9m, including a $46.8m charge to pay for shares issued to employees. The loss was its fifth consecutive annual deficit.

The first-quarter net figure comes after taking a $28.9m reserve for the 1985 profit-sharing plan.

The airline now expects profits for this year to exceed $90m – the level at which the employee profit-sharing plan begins.

Control to change at Turbo Resources

By Bernard Simon in Toronto

A GROUP of financial institutions, headed by Canadian Imperial Bank of Commerce, is to become majority shareholder in Turbo Resources of Calgary, under a restructuring plan announced by the debt-burdened energy company.

The proposals will reduce Turbo's debt from C$740m ($548m) to C$319m and give the lenders a 68.5 per cent stake in the company.

A group of European debenture holders will end up with a 6.7 per cent equity interest. Creditors are expected to sign the restructuring agreement by the end of April.

CIBC will hold C$230m of the company's debt after the reorganisation. The next biggest private sector creditors will be Continental Illinois' Canadian subsidiary and Canada Trustco, each with C$5m.

The federal and Alberta governments will receive a combination of debentures and non-interest bearing notes valued at C$53m.

Turbo suffered a net loss of C$105m in 1984, due largely to interest payments of C$87m. The company's main assets are a refinery in Alberta and about 215 fuel distribution outlets in western Canada.

Under the restructuring proposal, three quarters of the principal of Turbo's unsecured debt, totalling C$152m, will be converted into 76m common shares.

Of the company's secured debt, C$50m will be converted into senior, redeemable, convertible preferred shares with an annual dividend of 8 per cent from January 1 1988. The preferred shares can be converted into common shares at any time over the next 10 years. The balance of the secured debt will be converted into debentures.

All interest on debt accrued and unpaid up to mid-1983 amounting to C$90m will be capitalised by the issue of 45m common shares. Creditors have also agreed to capitalise and forgive C$126m of interest due between July 1983 and the end of last year.

Shareholders in CIR back capital lift

By James Buxton in Rome

SHAREHOLDERS in CIR, the financial and industrial holding company controlled by Sig Carlo de Benedetti, chairman of Olivetti, have approved yet another increase in the company's capital – the 12th since Sig de Benedetti took control in 1976.

The capital increase – through a rights issue which takes share capital up from L112m to almost L134bn ($697m) – underlines the fast growth of the company, whose net income rose 40 per cent in 1984 to L26.6bn on sales of L331.7bn.

Sig de Benedetti told shareholders that CIR had earlier this year paid only L25bn for control of the Buitoni foods group, whose sales in 1984 reached L1035bn.

Crocker recovery reflects lower loss provisions

BY PAUL TAYLOR IN NEW YORK

CROCKER NATIONAL, the troubled West Coast U. S. banking subsidiary of Britain's Midland Bank, reported a $9m or 39 cents-a-share profit in the first quarter compared with $121m or $5.94 a share loss in the previous corresponding period. The turnround primarily reflected sharply lower loan loss provisions and charge-offs.

At the same time Crocker, the 15th largest U.S. banking group, set May 21 as the date of its annual meeting, at which shareholders will vote on Midland's $224m offer for the 43 per cent equity stake it does not already own.

Crocker's modest first-quarter profit follows a disastrous 1984 final-quarter loss of $216.1m, which pushed its full-year losses up to $324.4m – one of the biggest full-year losses ever reported by a U.S. financial institution.

Mr Frank Cahouet, Crocker's chairman, said the improved performance was due to a return to more normal loan loss provisions and higher cash collections on non-performing loans, which contributed to higher net interest income of $167m against $154m in the 1984 quarter.

The provision for possible loan losses in the latest quarter totalled $25m against $327m in the previous quarter and $148m a year ago. Net charge-offs totalled $26m compared with $253m in the fourth quarter and $105m a year earlier.

At the end of the first quarter, Crocker's resulting reserve for possible loan losses stood at $299m or 1.93 per cent of total loans, against $300m or 1.90 per cent at the end of 1984 and $286m or 1.76 per cent a year ago.

Crocker's non-performing loans, which grew dramatically last year, representing a serious drag on earnings, fell to $1.07bn at the end of the quarter, down from $1.13bn at year-end but still higher than the $880m level a year earlier.

The banking group said domestic non-performing loans declined to $603m from $681m in the prior quarter and $773m a year ago, while foreign non-performing loans, including $280m of Argentine credits, grew to $467m against $450m at the end of December and $107m a year ago.

□ **Bankers Trust**, the ninth largest U.S. banking group, lifted first-quarter earnings by 25 per cent to $92.5m or $2.74 a share from $74.1m or $2.36 a share in the year ago quarter.

Mr Alfred Brittain, chairman, attributed the advance to higher net interest income, fees and commissions, gains from investment securities transactions and other non-interest income.

Offsetting those improvements were a negative swing in trading account profits and commissions, a decrease in foreign exchange trading income, the absence of a gain from the sale of branches and an increase in income-tax expense.

□ **Mellon Bank**, the Pittsburgh-based group, said its first-quarter net income increased to $41.5m or $1.46 a share from $33.0m or $1.20 a share in the 1984 quarter.

Mr David Barnes, president and chief executive, attributed the gain primarily to an improvement in net interest revenues resulting from higher loan levels, and a continued growth in fee income. Those factors were partly offset by higher operating expenses and larger provisions for possible loan losses, which increased to $20.3m in the latest quarter against $17.2m a year ago.

□ **Wells Fargo**, the San Francisco-based banking group, said net earnings increased by 12 per cent to a record $45m from $40m a year ago while earnings per share advanced by 28 per cent to $1.95 from $1.52.

Earnings benefited from higher net interest income, which grew by 20 per cent to $301m.

SEC warning on securities

BY TERRY DODSWORTH IN NEW YORK

MR JOHN SHAD, chairman of the U.S. Securities and Exchange Commission, told a Senate committee yesterday that the recent failures of two Treasury bond dealing firms "may exacerbate" problems in the government securities market.

The problems could cause additional failures as customers pulled out of small government securities firms and took their business to the major dealers in the market, he said.

Mr Shad made his remarks in hearings called after the collapse of ESM Government Securities of Florida, and Bevill Bresler & Schulman of Livingston, New Jersey. In the wake of these two failures "a real reaction of enormous proportions is going on right now in the marketplace," he added.

The comments of the SEC chairman, who has regulatory responsibility for sections of the securities markets, underlines the fears that the recent collapses could have a knock-on effect on other dealers. Analysts have warned that customers could be tempted to withdraw commitments from the smaller trading houses to invest in the safety of bigger and more strongly capitalised dealers.

In total, losses at ESM and Bevill Bresler have been estimated at around $500m, although officials appointed to sort out their affairs still have to conclude their investigations. The SEC is thought to be examining as many as 100 companies dealing in the securities repurchase market which lies at the centre of trading in Treasury issues.

Mr Shad said that the SEC had yesterday approved the issue of a release asking for comments on a number of regulatory questions dealing with the securities markets. In the meantime, Senator Alan Cranston introduced a bill yesterday calling for a new system of self-regulation supervised by the SEC.

● Mr Paul Volcker, chairman of the Federal Reserve Board, said at congressional committee hearings yesterday that he did not anticipate the kind of crisis among agricultural banks that would provoke a debate over large-scale federal assistance.

Coca-Cola achieves modest increase

By Our Financial Staff

COCA-COLA, the world's largest soft drinks manufacturer, has announced a modest increase in first-quarter net earnings, to $141.2m from $138m. Earnings per share rose to $1.08 from $1.02 on an average number of shares outstanding that was 4.8m lower at 130.9m than the figure a year earlier, after the company's extensive buying of its own stock during 1984.

At the pre-tax level, income was down 2.8 per cent to $235.3m, partly reflecting higher interest charges which were also attributed to the share-buying scheme.

Sales rose 11.2 per cent to $1.75bn from $1.58bn, with volume growth of 15 per cent in the European and African markets. Mr Robert Goizueta, chairman, said: "We are very pleased with our first-quarter results, particularly with the strength of the international soft drinks business." He said the results were achieved despite adverse exchange rates.

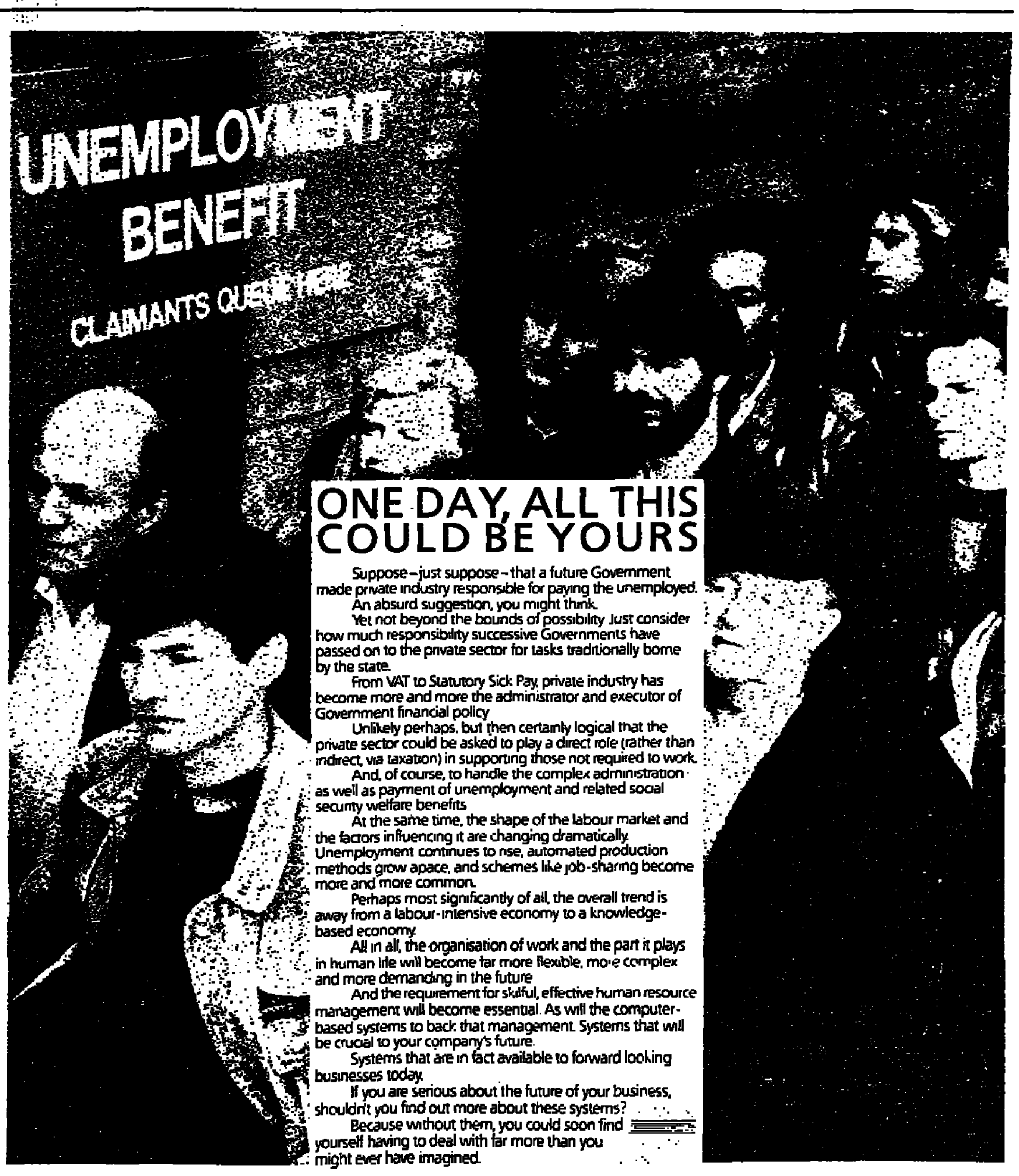
During the quarter, Coca-Cola introduced Cherry Coke, which is being test-marketed in four regions of the U.S.

Adler expects DM 100m annual deficit

HANOVER – Triumph-Adler, the West German office equipment group, expects to post increased 1984 losses of DM 100m ($33.2m), according to Herr Wolfram Nadebusch, the managing chairman.

Its 1983 balance sheet showed a world group net profit of DM 1m after its parent, Volkswagen, released it from DM 50m of losses. Herr Nadebusch said the 1984 loss was expected to be "in three figures" after being heavily burdened by restructuring costs.

He said first-quarter turnover had risen, however, by about 20 per cent above the same period last year. The company said the rise was due largely to higher turnover from computers. Reuter



INTL. COMPANIES & FINANCE

Thomson may break even for 1984

BY PAUL BETTS IN PARIS

THOMSON, the French nationalised defence and consumer electronics group, expects to break even or show a small group loss of up to FFr 50m ($5.4m) for 1984 after a loss of FFr 1.25bn in 1983 and FFr 2.2bn in 1982.

M Alain Gomez, the chairman, also said Thomson CSF, the defence subsidiary 51 per cent held by the group, would raise in the next few weeks FFr 3bn in fresh funds through a convertible bond offering to consolidate and strengthen its financial position.

About FFr 2.5bn would be raised on the French market. The remaining FFr 500m would be raised on the Eurodollar market.

M Gomez also confirmed that after the completion of the telecommunications asset swap with the nationalised French CGE group, Thomson would shed its civil telecommunications to CIT-Alcatel, the 65 per cent-owned telecommunications subsidiary of CGE. In return, Thomson would receive a stake of between 10 and 15 per cent in CIT-Alcatel from CGE.

The CIT-Alcatel transaction is the final chapter in the two-year restructuring of the French telecommunications industry which has seen France's main telecommunication manufacturing assets placed under the umbrella of CIT-Alcatel.

M Gomez justified the decision saying that Thomson was in no position to compete on its own in the telecommunications business and that the merger was the only viable solution for the French industry.

M Gomez also seemed confident that Thomson would consolidate its financial recovery this year. Thomson is the latest of several French nationalised groups to have returned to profit or managed to break even after sustaining heavy losses in past years.

Thomson's performance has been buoyed in recent months by major defence orders from Saudi Arabia. The company is now in the running for a major $4.5bn U.S. army contract. Thomson's group sales totalled FFr 57bn last year of which 61 per cent involved exports. In 1983 sales totalled FFr 83.3bn. New orders rose from FFr 50bn in 1983 to FFr 83.3bn last year.

The group's Thomson CSF subsidiary expects to report net earnings of FFr 300m for 1984 compared with a loss of FFr 810m in 1983.

Grundig to cut jobs after loss

BY JOHN DAVIES IN FRANKFURT

GRUNDIG, the West German audio-video concern, is gearing up to launch the next stage in its restructuring measures, including more job losses, after reporting a deficit of DM 185m ($61m) for the year ended March 1985.

The company, which came under the management control of Philips of the Netherlands a year ago, increased sales by 2 per cent to DM 2.83bn in 1984-85.

Its latest loss is, as forecast, DM 100m lower than the DM 286m deficit ascribed by Philips to 1983-84, which was the company's last financial year under the control of Dr Max Grundig, its founder.

Mr Hermanus Koning, the Dutch chief executive sent in by Philips, said that latest loss included the DM 50m cost of restructuring measures already taken.

The management board had decided on the next measures and would soon make them public, he said. If they were carried out according to plan, Grundig could return to profitability by the end of 1986.

There have been reports for months that Grundig might eliminate a further 7,000 jobs at its West German and foreign factories, but Mr Koning said he hoped that the job losses would be fewer than this.

Grundig's labour force declined by 4,000 in the last financial year to 24,000—a far cry from the peak of 38,000 in 1979.

Referring to Grundig's six plants in West Germany, Mr Koning said that two factories were endangered, while a solution "which does not come from us" was shaping up for a third plant.

Johnson group may sell units

STOCKHOLM – Sweden's largest private conglomerate, the Axel Johnson group, may have to float off parts of its diversified empire after running up record losses last year.

While all of Sweden's other family-owned companies have moved abroad or sold shares to the public to avoid crippling inheritance taxes, the Johnson family has jealously guarded control of the company it founded in 1873.

But yesterday Mr Bernt Magnusson, head of the group's Nordstjernan arm, said a capital-raising public flotation of part of the group might be needed.

Nordstjernan, which employs 23,000 people, reported pre-tax losses of SKr 483m ($55m) for 1984 against profits of SKr 360m in 1983. The unit is involved in shipping, construction and steel, sectors hit hard by recent slumps.

The other pillar of the organisation is A. Johnson and Co, involved in special oil projects, commodity trading, steel, plastics and chemicals.

A. Johnson has not yet published its 1984 results. Traditionally slightly more profitable than Nordstjernan, it reported pre-tax profits of SKr 61m in 1983.

Presenting the results Mr Magnusson said Nordstjernan would be slimmed down to concentrate on a narrower range of activities and promised that such losses would never be repeated.

"No part of the group will be left untouched. Both the number of products and the number of employees will be reduced," he said.

Axel Johnson group officials said before a tax loophole was closed last year to prevent more privately-owned companies moving abroad that the question of exiling itself had not come up since it had never made large profits. Reuter

Renault truck deficit increases

BY OUR PARIS STAFF

RENAULT Vehicules Industriels (RVI), the large truck subsidiary of the French state-owned Renault car group, reported yesterday increased losses of FFr 3bn (324.4m) last year compared with a loss of FFr 1.95bn the year before.

But M Philippe Gras, the new chief executive of the truck company, claimed that the Renault subsidiary had now started a gradual recovery.

He blamed the increased losses on financial charges and other exceptional costs. By contrast, operating losses had been held at around the same level of FFr 1.1bn of the year before.

M Gras also denied speculation that Renault may now be envisaging abandoning the truck market. Since M Georges Besse was appointed chairman of the troubled state-owned car group there has been considerable speculation about the group's future strategy.

So far, however, M Besse has taken no final decsions but has been conducting a major review of the car group's diverse and worldwide operations. Despite M Besse's continued silence about his intentions, the new chairman is understood to have placed as his top priority the reduction of the group's losses (expected to total about FFr 10bn or more in 1984) and the reduction of its huge debts.

As for the RVI truck divison, M Gras said that the subsidiary planned to cut losses this year by several millions of francs and hoped to break even in 1988.

Zurich Insurance plans rights issue

BY OUR ZURICH CORRESPONDENT

ZURICH INSURANCE reports increased net profits for 1984 and discloses plans to raise SwFr 188m ($74m) through a rights issue.

Improved investment income led to a 10 per cent rise to SwFr 112m in the net profits. The increase was achieved despite a deterioration in underwriting results "in the aftermath of a further rise in losses in the U.S."

Gross premium income increased by 15 per cent to SwFr 9.61bn, though this would have been only a 9 per cent rise had exchange rates remained unaltered.

The board proposes an unchanged dividend of SwFr 240 per voting share and SwFr 24 per non-voting share.

The one-for-10 rights issue will increase voting capital from SwFr 104.2m to SwFr 120m and non-voting shares from SwFr 30m to SwFr 33m.

Holders of two existing voting shares of SwFr 500 each will be entitled to one new share at the split nominal value of SwFr 100 at a price of SwFr 1,000.

Holders of SwFr 50 face-value non-voting shares will be able to buy one further SwFr 50 certificate for every 10 held at SwFr 500m each.

NatNed lifts dividend

BY OUR FINANCIAL STAFF

NATIONALE Nederlanden, the leading Dutch insurance group, is lifting its dividend from Fl 2.25 a share to Fl 2.30 after a 10 per cent increase in net profits for 1984.

Net profits have moved up to Fl 523m ($152.5m) against Fl 475.1m in 1983. Total revenue rose by 27 per cent to Fl 16.6bn from Fl 13bn

Nationale Nederlanden acquired a Dutch rival, Amfas, in 1983 and the latter's results were fully consolidated last year. Last month NatNed announced a U.S. insurance acquisition for $105m.

The company said it expected profits to rise further this year, but did not elaborate.

Amfas contributed to operating profits of the group as a whole, though it recorded a Fl 83m operating loss on indemnity insurance and a Fl 14m loss on other non-insurance activities.

Doubt over steel merger

BY OUR FINANCIAL STAFF

THE PLANNED merger of Krupp Stahl and Kloeckner-Werke's steel operations with CRA of Australia as a partner, is practically dead, trade union officials at the two German companies said yesterday.

"I am expecting the merger will no longer take place," said one senior Kloeckner union official who asked not to be named. An official in Krupp's works council said: "It looks like nothing more is happening."

In London, Mr Alistair Frame, chairman of Rio Tinto Zinc which owns 52.9 per cent of CRA, said discussions about the tie-up were still in progress with the West German Government and trade unions. The Government had not yet approved aid for the planned new grouping, he said.

The three-way link-up would create West Germany's second biggest steel group with assets of some DM 1.5bn ($495m).

Profit slips at Belgian retailer GB-Inno-BM

By Paul Cheeseright in Brussels

SLUGGISH consumer spending led GB-Inno-BM, the largest Belgian retailing group, yesterday to announce slightly lower annual profit figures and a maintained dividend.

Net profits for 1984 were BFr 952m ($15.8m) on a total turnover, including value-added tax, of BFr 118.56bn, compared with profits for 1983 of BFr 1bn on sales of BFr 117.9bn.

For the third year running GB-Inno-BM is paying a net dividend on its ordinary shares of BFr 215. Shares with special fiscal incentives attract a dividend of BFr 337.06 net, the same as for 1983.

The economic climate in Belgium has forced GB-Inno-BM to run to stand still. Tight government economic policies have led to less disposable income. Retail sales in volume, sluggish anyway since 1980, fell 4 per cent last year. But at the same time costs in the distribution industry have been increasing.

In this situation GB-Inno-BM has been fighting to maintain market share, and its turnover went up over 1983 by just 1.5 per cent.

The group closed eight stores and opened two. Although its total selling space declined last year, sales by square metre of space rose to BFr 123,000 from BFr 117,000 in 1983. There was a slight decline in sales per employee.

● Compagnie Internationale des Wagons-Lits et du Tourisme is planning a one-for-five rights issue at BFr 1800 a share to raise BFr 800m.

N. AMERICAN QUARTERLY RESULTS

ARCHER-DANIELS-MIDLAND
Corn refining, milling

Third quarter	1984-85	1983-84
	$	$
Revenue	—	—
Net profits	31.6m	22.9m
Net per share	0.33	0.24
Nine months		
Revenue	—	—
Net profits	112.4m	84m
Net per share	1.17	0.91

B F GOODRICH
Tyre maker, chemicals

First quarter	1985	1984
	$	$
Revenue	798.7m	858.2m
Net profits	2.3m	9.9m
Net per share	0.08	0.40

BOISE CASCADE
Forest products, building materials

First quarter	1985	1984
	$	$
Revenue	970.1m	948.8m
Net profits	33.3m	27.9m
Net per share	1.12†	0.95

† includes 13 cent gain on asset sale

BOMBARDIER
Transportation equipment

Fourth quarter	1984-85	1983-84
	$	$
Revenue	161.8m	160.2m
Net profits	3.96m	2.09m
Net per share	0.71	0.38
Year		
Revenue	515.5m	491m
Net profits	10.1m	6.3m
Net per share	1.79	1.16

DOVER
Elevators, industrial equipment

First quarter	1985	1984
	$	$
Revenue	358.5m	308.8m
Net profits	23.9m	24.2m
Net per share	0.68	0.68

GOLDEN NUGGET
Casinos

First quarter	1985	1984
	$	$
Revenue	91.7m	83.9m
Net profits	19.1m	3.9m
Net per share	0.55	0.10

GT. NORTHERN NEKOOSA
Forest products

First quarter	1985	1984
	$	$
Revenue	488.2m	459.1m
Net profits	13.9m	29.7m
Net per share	0.51	1.14

KAISER CEMENT
Cement, building materials

First quarter	1985	1984
	$	$
Revenue	58.2m	55.1m
Net profits	215,000	4.2m†
Net per share	0.16	0.77†

†Loss

KIMBERLY-CLARK
Tissues, newsprint

First quarter	1985	1984
	$	$
Revenue	1bn	902.4m
Net profits	72.3m	60.5m
Net per share	1.58	1.34

McGRAW-HILL
Business publishing

First quarter	1985	1984
	$	$
Revenue	323.7m	300.2m
Net profits	28.6m	26.7m
Net per share	0.57	0.53

MORTON-THIOKOL
Chemicals

Third quarter	1984-85	1983-84
	$	$
Revenue	496.9m	478m
Op. net profits	32.1m	25.1m
Op. net per share	0.68	0.50

NYNEX
Telecommunications

First quarter	1985	1984
	$	$
Revenue	2.50bn	2.28bn
Net profits	257.4m	221.7m
Net per share	2.55	2.29

OAK INDUSTRIES
Cable TV equipment

Fourth quarter	1984-85	1983-84
	$	$
Revenue	78.1m	79.4m
Op. net loss	93.3m	7.5m
Op. net per share	5.03	0.46
Year		
Revenue	333.2m	320.2m
Op. net loss	95.5m	65.5m
Op. net per share	5.24	4.01

ROHM & HAAS
Chemicals

First quarter	1985	1984
	$	$
Revenue	552.8m	548.1m
Net profits	40.3m	58.3m
Net per share	1.64	2.15

SHERWIN-WILLIAMS
Largest U.S. paint producer

First quarter	1985	1984
	$	$
Revenue	492.1m	453.3m
Net profits	5.71m	4.59m
Net per share	0.25	0.22

TRW
Auto parts, electronics, int'l products

First quarter	1985	1984
	$	$
Revenue	1.6bn	1.46bn
Net profits	56.6m	60.6m
Net per share	1.51	1.61

W. W. GRAINGER
Electrical equipment distributor

First quarter	1985	1984
	$	$
Revenue	261.9m	243.6m
Net profits	14.8m	14.1m
Net per share	1.02	0.97

INTL. COMPANIES & FINANCE

Earnings fall at Kuwait Petroleum

BY RICHARD JOHNS

KUWAIT Petroleum Corporation, the state-owned hydrocarbons conglomerate, recorded group net profits of KD 280.3m in the year to last June, the equivalent of nearly $940m at the exchange rate then prevailing and $925m at the current rate.

Earnings compared with KD 307.4m in 1982-83, down 9 per cent. Gross revenues, though, rose 21 per cent to KD 4.53bn. The return on KD 1.55bn of paid-up capital, all of it owned by the Kuwaiti state, was 17.9 per cent compared with 27.3 per cent in 1982-3.

KPC's result was achieved after "cost of sales"—a payment to the Government for oil at official selling prices—totalling KD 3.72bn, an increase of 28.3 per cent over the 1982-83 level. The corporation pays nothing for gas associated with oil output.

Revenues from overseas subsidiaries including Kuwait Petroleum International — which early in 1983 took over Gulf Oil's refining and marketing interests in Scandinavia, the Benelux countries and Italy—and Santa Fe Braun showed a 54 per cent increase to KD 811.9m. In the annual report no individual results are given for the two.

A healthy contribution to gross revenue, however, from Santa Fe Braun is indicated by the KD 233.7m attributed to engineering and construction operations by subsidiaries abroad. In the previous year's report they were recorded at KD 226.4m.

Overall, crude oil sales by overseas affiliates were down by nearly KD 3m at KD 79.1m but petroleum products, which would include those processed in Kuwait mainly for the Italian market, as well as KPC's Rotterdam and Danish refineries (ex-Gulf Oil), amounted to KD 327.1m. No comparable figure appeared in the 1982-83 report.

In the latest year total throughput was about 170m barrels, or 479,000 b/d, about 3 per cent less than in 1982-83 mainly because of stoppages for maintenance at the Shuaiba refinery.

KPC's own crude oil production averaged 973,000 b/d, 35 per cent more than in 1982-1983 and mainly, it seems, because of its downstream acquisitions in Europe. In addition, KPC handled a little more than 60,000 b/d of crude from operations in the Neutral Zone share with Saudi Arabia.

The main achievements in exploration recorded were the discoveries of hydrocarbons in the Sargelu and Marrat formations of some of Kuwait's oil fields. The report says that drilling results from some wells in the Khashman field also indicated potential hydrocarbon deposits.

Beverly Hills thrift bank expects loss for 1984

BY OUR FINANCIAL STAFF

BEVERLEY HILLS Savings & Loan Association, the Californian thrift bank in which Swiss financier, Mr Werner K Rey has a 9.9 per cent stake, expects to report a 1984 loss of about $100m.

The thrift, which has assets of about $2.9bn, changed hands last year after a lengthy takeover battle. In January 1984, Mr Rey withdrew from a deal that would have raised his stake to 26 per cent.

The company said the expected 1984 loss would leave it with a negative net worth of $65m as measured by generally acepted accounting principles.

The thrift said it has reached an agreement with the Federal Savings and Loan Insurance Corporation that may lead to a merger or acquisition of the company.

Return to the black for United Mizrahi Bank

BY DAVID LENNON IN TEL AVIV

UNITED MIZRAHI BANK, Israel's fourth largest bank, registered a consolidated net profit of US$5.05m for 1984 compared with a $12.47m loss for 1983.

Contrary to the trends of other Israeli banks, Mizrahi also succeeded in increasing its consolidated balance sheet by 9 per cent to $4.78bn at the year-end.

Mr Aharon Meir, the managing director, said he was confident the upward trend would continue.

UMB Bank and Trust Company, New York, United Mizrahi Bank (Switzerland), the United Mizrahi Financial Corporation (London) made substantial contributions to profits and balance sheet growth.

Another major contributor to the improvement was the increased loan activities of Tefahot Mortgage Bank.

Altech maintains growth and increases dividend

BY JIM JONES IN JOHANNESBURG

ALLIED TECHNOLOGIES (Altech), the South African electronic and electrical company, maintained growth in the year to February despite being affected by the economic slowdown.

During the year Altech divested itself of its direct interest in Powertech, the electrical and lighting products manufacturer, and passed this holding on to its shareholders. After taking this change into account, Altech's turnover rose to R411m ($218.2m) from a restated R306m and pre-tax profit increased to R77.9m from R61.9m.

The directors said sales were adversely affected by the economic slowdown which caused customers to defer taking delivery of equipment worth more than R50m. Nevertheless, the board is confident that the recession can be countered by aggressive marketing.

Earnings increased to 401.5 cents a share from a comparable 335.7 cents and the dividend has been raised to 125 cents from an equivalent 97.2 cents.

Foreign houses buy into South Korean brokers

BY OUR FINANCIAL STAFF

THREE foreign securities houses are taking equity stakes in South Korean brokers in the first links to be announced since the Finance Ministry revised its rules on overseas participation in the Seoul stock market last year.

W. I. Carr (Overseas) (Wico), the Hong Kong subsidiary of the British stockbroker, and Yamaichi Securities of Japan have each bought 4.55 per cent of Daishin Securities, one of the big five Korean brokerage houses. Daishin will receive a total of 2bn won ($2.33m) from the deals.

Separately, Nikko Securities of Japan said it would sign an agreement today with Lucky Securities, another Seoul broker, giving it a 4.8 per cent stake.

Current Ministry rules allow foreign stakes of up to 10 per cent in local securities houses.

Brierley Investments in NZ$100m bid for Emco

BY GORDON CRAMB

BEVERLY HILLS Savings & master company of Mr Ron Brierley, the Australasian financier, has launched a NZ$ 100.7m (US$ 45.4m) bid for Emco, which assembles Honda cars in New Zealand and holds the country's BL franchise.

He coupled the move with an offer for 15 per cent of Waitaki NZ Refrigerating, which values the wholesale butcher at NZ$ 177.67m. Such a stake, although of strategic size, is believed by analysts to be initially for investment purposes rather than as a prelude to an immediate full bid.

Brierley Investments, which ranks at or near the top of the New Zealand league in market capitalisation terms, has recently declared its intention of diversifying overseas through its Industrial Equity subsidiaries in Australia and Hong Kong. However, it has stressed that it also remains committed to domestic investments.

APPOINTMENTS

Thorn EMI re-organisation

Thorn EMI Information Technology is merging AFA-Minerva and Thorn EMI Fire Appliances into THORN EMI PROTECH. Mr Brian Dix, chief executive of Thorn EMI Information Technology protection and control division, is appointed managing director. Other board appointments are Mr T. S. O'Toole as director and general manager—UK; Mr P. Hughes as director and general manager—international; Mr P. W. Mount as director and general manager—fire applicances and Mr P. C. Scott as director and general manager — detection products. The finance director will be Mr A. S. Thompson and the personnel director will be Mr C. Johnson. Company secretary is Mr G. O. Wiltshire. Within the UK business under Mr O'Toole, Mr A. C. White is appointed director—national sales and Mr C. J. Connor is appointed director — national operations. Regional director appointments are Mr B. S. Henley (South), Mr J. C. Redfern (Midlands), Mr A. Woodcock (North) and Mr B. Hannay (Scotland). Mr M. J. Moult will be director responsible for fire appliances trade sales.

★

Mr M. G. Redgwell (Butler Till) has succeeded Mr M. J. Warren (M. W. Marshall) as chairman of the STERLING BROKERS' ASSOCIATION. Mr Warren will become deputy chairman and Mrs Angela Howorth (Fulton Packshaw) has been re-elected honorary secretary and honorary treasurer.

★

Four new directors have been appointed by HOUSEMAN (BURNHAM): Mr Roger Ascough becomes marketing director for the marketing and technical divisions from divisional manager; Mr Niall Campbell becomes director of Permutit domestic division from general manager; Mr Roger Kinsella becomes production director from production manager; and Mr David Knowles becomes director, industrial division from general manager. Houseman (Burnham) is part of Portals.

★

Mr David R. Rapoport has been appointed managing director of HARLOW MEYER SAVAGE.

★

Mr Andrew L. Johnson has been appointed director, financial institutions division of BRANDTS INSURANCE BROKERS. He was with Reed Stenhouse.

★

The following have joined the board of BARING INTERNATIONAL INVESTMENT: Mr Miles Rivett-Carnac, Mr Timothy Abell, Mr Kimisato Nagamine, and Mr Robert Rawe.

★

FRAZER-NASH has purchased the testing services division of Pendar, now in liquidation. Mr Martin Tapp, formerly head of materials testing at Pendar, becomes a director and general chairman of Frazer-Nash Pendar and Mr John Quinn, managing director of Frazer-Nash, becomes chairman of Frazeh-Nash Pendar.

★

CAPE BOARDS AND PANELS has appointed Dr Alan Swann as research and development director. He was general manager, research and development. Mr Bernard Noyes becomes manager within the r and d department. Mr Noyes will also have responsibility for research at Fibre Cement Technology BV and will continue as a director of Cape Universal Claddings.

★

Mr Michael Harris has been appointed director—fleet operations, to head a new division to co-ordinate fleet sales in the MANN EGERTON GROUP. He was fleet sales director, Hanger Group.

★

Mr Ken Deacon has become managing director of WATHES MECHANICAL SERVICES; Mr Paul Blake becomes managing director of Wathes Refrigeration; Mr Trevor Norman becomes managing director of Wathes Air-Conditioning; and Mr John Powell becomes managing director of Wathes-Winair UK.

★

Mr Michael Brecknell will be joining JOHN POLAND & CO on July 1 as managing director. Since July 1982 he has been senior finance director of Willis Faber (Underwriting Management) and a director of a number of insurance companies.

★

Mr David C. Macey and Mr Richard D. Webb have been appointed to the board of PHILIP HARRIS HOLDINGS. Mr Macey, export sales director, becomes managing director of the scientific and vocational equipment subsidiaries, Philip Harris Limited and Philip Harris (International). Mr Webb, finance director of Philip Harris Limited, assumes the role of group finance director.

★

Mr A. A. Spackman, managing director of Davidson Radcliffe Secondary Fibres, has been appointed to the board of the parent company, DAVIDSON RADCLIFFE.

★

POLYCELL PRODUCTS has made the following board appointments: Mr Martin Stockley joins the board as marketing director and Mr Frank Brayshaw becomes sales director. Mr Stockley joined Polycell in 1983 as general manager, marketing. Mr Brayshaw was general manager, sales.

★

Mr Ken Bignall has been appointed deputy divisional general manager of BARCLAYCARD. He was formerly an assistant general manager, responsible for finance and planning. Mr David Buxton has been appointed assistant general manager of Barclaycard with responsibility for staff, premises and telecommunications. He was formerly a local director of Barclays Bank at Liverpool.

★

Mr Barry Hare has been appointed vice-president and general manager for GENERAL INSTRUMENT CORPORATION'S world-wide lamp interests, in addition to managing director of General Instrument Lamps. He will continue to be based at the corporation's Bury St Edmunds plant.

★

HENRY ANSBACHER HOLDINGS has made the following appointments: Mr Derek Matthews, formerly a director with Guinness Mahon, joins the board of the merchant bank subsidiary, Henry Ansbacher and Co. Mr Paul Thom, formerly an assistant director and chief accountant with Guinness Mahon, joins the group as chief accountant.

★

Mr W. R. Grahm has been appointed finance director of VICTOR PRODUCTS.

Property side boosts BPCC to £37.86m

WITH 1984 profits up by over £15m Mr Robert Maxwell, the chairman of British Printing and Communication Corporation, tells shareholders that he is "very confident" of the trend in profits for 1985 and future years.

He says the group's heavy capital investment and rationalisation programmes *have transformed* the competitive position of all businesses, making BPCC exceptionally well placed to take full advantage of developments in the fast-expanding communications industry.

For 1984 the group, engaged in printing, publishing and property, saw its profits before tax surge by £15.78m to £37.86m—*they* were also up in the first quarter of the current year.

Net profits rose even more sharply. After taking account of a lower tax charge of £2.35m (£4.02m) and adding in group *relief payment from* Pergamon, the parent company, of £4.88m (£2.8m) the figure emerged £19.53m ahead at £40.38m.

The benefits are being passed on to shareholders who see their dividend for 1984 stepped up by 5p to 11p net, the final being 8p.

Group turnover for the year advanced from £230.82m to £266.52m.

A divisional breakdown of pre-tax profits shows: printing £16.53m (£16.35m), publishing £4.4m (£3.2m), packaging £1.32m (£1.76m) and property £15.61m (£765,000).

The property sector benefitted from the disposal of the major part of the Odhams Printers site in Watford. Mr Maxwell is confident of "very substantial" further profits from property development in 1985 and beyond.

The remaining freehold four-acre site with the main building of 160,000 sq ft will be disposed of during 1985.

The chairman says the purchase of the freehold of Maxwell House will facilitate a major redevelopment scheme in 1985-86 in an area undergoing rapid improvement. The group is also *working on development schemes* in Aldershot, Dunstable and Leeds.

Mr Maxwell says good progress has been made towards completing the restructuring of the group's two major printing plants—Odhams-Sun and Purnells.

After lengthy consultations and negotiations with the unions at Purnells, a new manning and *productivity agreement has* been concluded.

This has "dramatically improved" that plant's competitive position and enabled BPCC to complete its major capital investment programme there.

Negotiations at Odhams-Sun for the purpose of concluding a similar agreement shortly are making good progress.

Mr Maxwell warns, however, that this *rationalisation will* "regretabbly lead a to further substantial loss of jobs, largely in Watford, but will safeguard the future of this plant."

The resulting cost reduction and new technology "*combine to* make these plants outstandingly competitive and by enabling them to attract new work from home and overseas customers, will open the way for the creation of additional soundly-based job opportunities."

Mr Robert Maxwell . . . confident of the trend of future profits.

He says the group's leadership in pre-press technology has led to the establishment of its first major U.S. operation, Compu-*color Internatoional*, an $8.5m joint venture with Providence Gravure, a leading N.S. gravure printer.

This plant is now in production and is the forerunner of a *planned expansion in* North America which will be given added impetus by the recent formation in the U.S. of the Maxwell Communication and Information Corpn.

Shareholders are told that pretax profits of the printing division were held down by three major non-recurring factors.

● There were serious teething *troubles with the seven new* printing presses at E. Kilbride and Purnell and Sons. These are now overcome, but they meant that in 1984 not only was the planned full production not *realised, but company was com*pelled to meet its contracts by getting work done at premium overtime rates or by expensive sub-contracting.

● The strike by IPC magazine journalists greatly reduced the volume of profitable work carried out for that customer.

● In 1984 closure costs of over £4m were charged against trading profit, whereas in 1983 similar costs were treated as extraordinary items.

Mr Maxwell comments that the group's increased profits combined with the £42m proceeds of the sale of Bishopsgate Trust's investment portfolio have transformed BPCC's balance sheet and provided a secure base for the continuation of expansion and profitable growth.

In 1983, rationalisation and clousre costs—including redundancy and trading losses relating mainly to the Park Royal Radio Times and the Odhams Printers plants—were charged as extraordinary items net of tax.

In 1984 closure and redundancy costs were charged against profit before tax.

Minorities accounted for £263,000 (£241,000) and available profits came through at £40.12m, against £10.99m, which was after extraordinary debits of £9.63m.

Earnings per 25p share showed an improvement of 13.3p at 29.6p.

The 37 per cent rise by the publishing activities was in spite of costs of £700,000 of a peripheral fine art business which was closed in the latter part of the year.

See Lex

Government delay hits TR's profits rise in UK

DELAYS IN the Government's timetable for phasing in a number of new communication products, meant that the profit increase in the UK for Telephone Rentals during 1984 was *below* expectations.

Total group pre-tax profits of £14.73m show a 3.5 per cent increase over the previous record £14.23m in 1983. The directors are proposing to lift the final dividend from 3.75p to 4p, making a 6.25p (5.75p) total for the year.

For the current period the directors of this telecommunications group say that they now have a full range of products to address each *sector of their telephone* markets, and as a result new rental and sale business for the first quarter of this year is substantially ahead of the same period of 1984.

In view of the anticipated increase in overall UK activities, and notwithstanding the depreciation and financing costs involved, together with the contributions from their overseas companies, the directors expect 1985 to show a further increase in group profits.

For 1984 total turnover rose *from £57.59m to £67.62m*, which was split between rental £36.39m (£32.81m), and sales and other £31.23m (£24.78m).

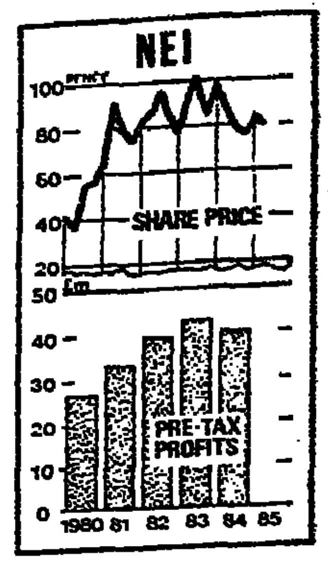
The pre-tax figure included £14.41m (£13.35m) profit on trading activities, £106,000 (£516,000) interest received, and £214,000 (£363,000) as the group's share of profit of its associated company.

Minorities took £60,000 against £66,000, to leave attributable profit at £11.34m (£10.61m) for stated earnings per 25p share of 14.6p (13.67p).

● comment

Telephone Rentals has yet to deliver the glittering goods that liberalisation of the telecommunications system is supposed to offer. There are no surprises in the 1984 figures, since the market was warned at the interim stage to expect minimal profits growth, due to aggressive pricing by British Telecom in the PABX market and slower-than-expected equipment approvals by the bureaucracy. This year the picture looks a little brighter: TR is now marketing 11 systems (against two at the start of last year) while BT has eased off some of the pressure. That said, TR's UK markets remain highly competitive and while overseas sales are growing, the depreciation of the South African currency is hitting profits there. Net income from interest in 1984 will turn into an outflow in 1985, and there will be some hefty depreciation charges from the rental business. Analysts are expecting pre-tax profits around £16.5m. Assuming a 23 per cent tax charge, that puts the shares, at 205p, on a prospective p/e of 12.6.

Project losses pull down NEI to £40m



A REDUCTION of £3.7m to £40.1m in pre-tax profits is reported by the Northern Engineering Industries group for 1984. There were heavy losses in project engineering *because of* problems with two power stations.

The result was at the worst end of City expectations. But the shares moved up 9½p to 86p *on* the day, mainly reflecting the market's relief that problems with the India power station contract appeared more limited than had been feared. The dividend is being held at 5.25p net, with an unchanged final of 3.6p.

Chairman Sir Duncan McDonald says the year has been one of *consolidation, when* the group completed the implementation of strategic plans for rationalisation of a number of key businesses. A major restructuring programme was initiated "which has put the group into far better shape for 1985 and beyond," with £30m expended on major restructuring.

Operating profits have absorbed redundancy costs of £2.6m, adverse *exchange* variations of £2.3m, and provision for unrealised exchange losses on long-term liabilities in South Africa of £1.5m.

NEI has reached the end of a "massive *restructuring*" of have been fully provided, and the resultant benefits in terms of improved productivity and efficiency will flow through this year and beyond, he says.

He is heartened by a return to profitability of companies in the U.S. and Canada, and he expects improved performance of operations both at home and overseas in 1985.

Restructure

Th current year has started with a strong balance sheet, a good order book and with the major restructuring done, efforts are being concentrated on improving profitability and earnings.

Worldwide order intake was just over £700m, and the order book at the year-end stood at £1.1bn.

UK manufacturing companies achieved profits of over £40m but these were seriously affected by project engineering, which experienced problems with a power station in Sudan (Khartoum) and in India (Rihand).

In the case of Khartoum the contract was fraught with the difficulties of the country, the directors sate, and, not least, the collapse of the major subcontractor during construction. The station is now operating well but extra costs to completion were encountered for which provision has been made.

At Rihand the position has greatly improved. There have been delays for a variety of reasons but the major problems *have been resolved*, a new working programme established, site work is progressing and the delivery of mechanical and electrical plant has started.

In spite of delays and difficulties, the directors remain confident about the outcome of that contract, and "prudent provision" has been made for the estimated additional ocsts arising.

In North America losses were reduced—a significant improving trend which will continue. The main part of that improvement is in the electrical and electronics business reflecting particularly the improvement at Extel.

The power group businesses at home and abroad have performed particularly well, while in the UK the electrical side suffered severely from the miners' strike.

A divisional analysis of the pre-tax profit shows that in the UK power contributed £31.06m (£23.09m), electrical and industrial £6.37m (£11.08m), mechanical £3.51m (£4.45m), and project *engineering loss* £12.87m (£2.35m). Overseas the split was: power 13.57m (£15.13m), electrical and electronics loss £2.2m (£7.42m), mechanical loss £1.06m (£1.21m) and related companies £1.69m (£991,000).

Turnover for 1984 moved up from £872.5m to £883.1m and the operating profit fell slightly to £37.2m (£38.6m). Other income less interest was reduced by £3m to £1.2m. After tax £16.6m £13.57m (£15.13m), electrical and (£3.8m), the net attributable profit is £20.2m (£24.5m) for earnings of 9.03p (11.02p) per share.

There are extraordinary debits £30m (£4.9m) comprising rationalisation costs £34.42m (£6.24m), less net surplus on disposal of properties £884,000 (*loss £213,000*), *surplus on sale* of loan stocks £59,000 (£358,000), and net surplus on sale of investments £17,000 (debit £3,000).

● comment

Northern Engineering has been struggling hard this year to maintain some kind of market credibility, which its difficulties in India have been rather hard, and to reduce its cost base to a plausible size. The share price which has been trading squarely on the correct assumption of a maintained dividend, had everything to gain yesterday from better news about the Rihand contract, and nothing much to lose from a very heavy list of provisions—£30m below the line. The actual trading result for 1984 was certainly bad, but not really what the market had been worried about. Up 9½p to 86p, NEI is still pretty well supported by its dividend, on a yield of 9 per cent, but with so much cost-reduction—and a safety margin in Rihand—provided for, there is also evident scope for a rebound in profits this year, perhaps as far as £50m pre-tax. In particular, there should be a *turn-round* from Extel, trading profitably for the past two quarters, and some recovery after the mining strike. Yet the trend to a contract mix which leaves NEI financing *more of its own working capital* will mean that last year's cash outflow—around £40m—is none too easily reversed.

Matthew Hall at record £14m

Matthew Hall, engineering designers and contractors, achieved record pre-tax profits of £14.25m in 1984, compared with £12.86m previously, with the final quarter contributing £3.71m against £3.32m.

The directors are recommending a 12.5 per cent dividend increase to 7.875p (7p) with a final payment of 6.525p (5.725p).

Turnover during 1984 moved ahead from £361.17m to £382.77m, and for the current period the directors say that the order book is sound. With "careful attention to costs" they anticipate a reasonable year in 1985.

The mechanical and electrical engineering sector again produced good results both in the UK and in Australia, they say, and has done well to match the previous year's figures despite keen *margins. This division* made trading profits of £5.35m (£5.19m).

The oil, gas and chemical sector produced good results in the UK and Holland, the directors say. Although there was an improvement in the U.S. in the second half of the year, this area remains disappointing.

The group's mining operations in the UK were badly affected in 1984 and the early part of 1985 by the miners' strike and its aftermath. The directors hope that the return to work will provide the group with more normal trading conditions for the remainder of the year.

Trading profits from this sector amounted to £4.16m (£3.09m) during 1984, bringing total profits to £9.51m (£8.27m), which, together with interest received of £4.74m (£4.59m), makes up the pre-tax figure.

Tax took a higher £7.33m (£7.08m), and outside shareholders' interests added £2,000 (debit £2,000). Deferred tax of £1.88m last time is treated as an extraordinary item, after which attributable profit emerged at £6.91m against £3.9m, for earnings per 25p share of 20.23p (16.91p), excluding the extraordinary item.

Retained profit after dividend distribution will be £4.22m (£1.51m).

The directors are proposing a scrip issue of one for one.

● comment

Matthew Hall has come in exactly as expected with the group's 14th successive year of profits growth. This time it has been the less glamorous mechanical and electrical engineering side which has done best, with turnover rising from £146m to £180m and pre-tax contribution ahead even more sharply. "Underground" activities have been hit by the miners' strike in the UK (costing £¾m) and the mining recession in the U.S., *where a further £¾m was lost.* Whilst the group would clearly like to bag another North Sea order, the order book is 10 per cent up and another year of steady growth looks likely. The bid for Haden by Trafalgar House has slightly unnerved the board who appear to have some mild fear a cross-Atlantic takeover move—but at Hall's size this is unlikely to come from within the UK. The one-for-one scrip issue (on which the dividend cover is targetted at 2¼ times) may aid the marketability of this highly rated stock. For 1985 the market is looking for pre-tax profits of £16m, a prospective p/e of almost 13—about right for the sector—on 326p.

Banro staves off £6.2m bid from CH Industrials

BY LIONEL BARBER

Banro, the sunroof nad car components manufacturer, yesterday staved off a £6.2m takeover bid by CH Industrials.

CH's bid lapsed yesterday afternoon with only 6.8 per cent of independent shareholders accepting its offer.

However, CH, which also makes sunroofs, subsequently *snapped* up the already pledged 14.3 per cent stake in Banro held by Stewart Fund Managers, leaving it with an overall 27.4 per cent interest.

"We are absolutely delighted to remain independent," said Mr Edward Rose, Banro's chairman and chief executive. He said he had yet to take a view on CH's new stake in Banro.

CH, advised by Kleinwort Benson, made a final offer of one ordinary share and five preference shares, valued at 102p each, for every five Banro shares or a cash alternative of *110.8p. Banro's shares* closed unchanged last night at 108p.

Mr Tim Hearley, CH's chairman, said he regarded the 27 per cent stake as an excellent investment and looked forward to mutual co-operation between the two companies.

Under the Takeover Panel Code, CH is not allowed to renew a bid *for* Banro for 12 months. CH was unable to extend its final offer because 60 days had elapsed since the first offer.

The takeover battle was marked by bitter exchanges between the two. Banro's merchant bank adviser, Hill Samuel, *caused a storm when it produced* a defence document which quoted three major Banro customers Ford Motor Co, Talbot and Toshiba voicing concern about a possible takeover.

CH complained to the Takeover Panel, but the Panel backed Banro and Hill Samuel earlier this week.

In the event, Banro's forecast *of a pre-tax profit* of £800,000 for 1984, an increase of 56 per cent on 1983, may have proved a more effective defence against CH. Banro also said it intended to recommend a final net divi*dend of 3.725p, making a total* dividend for 1984 of 4.3p, a 30 per cent increase.

Mr Rose said he not given any thought as to whether to offer CH executives a seat on the Banro board.

Etam rises to £8.6m and confident of more growth

Etam, the fashionwear retailer that joined the Stock Exchange last June, yesterday reported a £1.64m increase to £8.6m in pre-tax profits for the year to January 26 1985.

And the directors say that results for the first weeks of 1985 are ahead of the corresponding period last year and are in line with budgeted expectations.

They are recommending a final dividend of 2.1p, making a total of 3p which compares with the 2.5p paid prior to last year's offer for sale.

Turnover in 1984 advanced from £47.92m to £56.48m and generated trading profits of £8.58m against £6.56m. Pre-tax profits were struck after interest payable of £21,000 (£7,000) and *included other income of £37,000* (£402,000).

Earnings per 10p share amounted to 8.74p (7.39p) after tax of £4.05m (£3.1m). There was an extraordinary debit of £266,000 (*credit £204,000*), being costs of the offer for sale.

The directors are confident that Etam will continue to grow steadily, based on a policy of acquiring new trading sites and refitting in the existing chain.

● comment

Steady, step by step, profits growth is what Etam's manage- shareholders. That said the first step looks more like a stride with profits about £300,000 better than expectations. Though it does not put any figures on its volume growth its existing stores probably trotted in with *in*creases somewhere between 4 and 5 per cent which is fair going, especially as Etam appears to have been a little short on top management in its buying area—a critical department for a fashion group aiming at 20- to 25-year-old females. Physical expansion continues at a steady pace with at least another 14 per cent likely to be added to the sales area in 1985. *It is fairly* clear that Etam achieved a tighter grip on its cost base in the second half of last year and that should hold good for the current 12 months. So £10m pre-tax looks a safe forecast for the current year which drops the prospective p/e to around 15 after yesterday's 13p rise to 169p—a rating which fits in well with the market's perception of specialist retailers.

Midsummer Inns suspended

Dealings in the shares of USM quoted Midsummer Inns were suspended at the company's request yesterday pending publication of a letter to shareholders, expected next week.

Mr Adam Page, chairman of this chain of real ale pubs which has been controlled by Swithland Leisure since last summer, said that the company is "in the final stage of negotiations that will result in a reorganisation which will significantly affect the company and its operations."

Mr Page declined to give any details until shareholders have been informed, but he said yesterday that "something fairly substantial" was in the *offing* "which would be beneficial to the company."

Midsummer's advisers, Hambros Bank, said that the *suspension was intended to* prevent a false market in the shares, which were suspended at 235p having stood at 215p at the start of last week. "Someone has got wind of something in the air," it said.

EQUITABLE UNITS

Daily prices as at 17 April 1985

EQUITABLE UNITS ADMINISTRATION LIMITED

35 Fountain Street, Manchester M2 2AF - Tel: 061-236 5685

Authorised Unit Trust Prices

	Bid	Offer	Yld%
Far Eastern	47.8	50.9	1.06
Gilt & Fxd Int	48.3	51.4	9.69
High Income	54.8	58.4	6.22
North American	47.8	50.9	2.84
Pelican—See UT Information Service			
Special Situations	54.5	58.0	3.18
Tst of Invstmt Tsts	51.5	54.8	2.19

EQUITABLE LIFE ASSURANCE SOCIETY

4 Coleman Street, London EC2R 5AP Tel: 01-606 6611

Insurance Fund Prices

	Bid	Offer
Far Eastern	96.7	101.8
Fd of Invstmnt Tsts	102.8	108.2
Gilt & Fxd Int	98.4	103.6
High Income	108.3	114.0
Managed	101.0	106.3
Money	97.4	102.5
North American	97.0	102.1
Pelican	106.5	112.1
Property	97.8	102.9
Special Situations	107.4	113.1
Pension Fund Prices		
Pens Far Eastern	96.7	101.8
Pens Fd of Inv Tsts	104.3	109.8
Pens Gilt & Fxd Int	98.9	104.1
Pens High Income	111.8	117.7
Pens Managed	103.0	108.4
Pens Money	99.0	104.2
Pens North American	97.0	102.1
Pens Pelican	109.1	114.8
Pens Property	98.4	103.6
Pens Special Situations	110.6	116.4

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Adwest .... int	1.6	June 5	1.5	—	6.7
APV Holdings	6.75	—	6.75	11.25	11.25
Astbury & Madeley	4.55	—	4.13	6.05	5.5
BPCC	8	—	6	11	6
British Mohair	4.75	May 31	3.5	6	4.65
Brixton Estate	3.05	July 20	2.7	5.15	4.6
Brook Street	3	May 31	1	4	1
I. J. Dewhirst	0.81	July 1	0.7*	1.1	0.96*
Duncan & Goodricke	12	—	12	12	12
Etam	2.1	July	—	3	—
Finlay Packaging	2.5	June 28	2.25	3.25	3
First Charlotte	0.05	July 4	0.05	0.05	0.05
Fogarty	2.42	May 23	2.42	4.02	4.02
Godwin Warren‡	1	April 24	0.7	2	1.4
Grovebell	0.3†	June 17	0.25	0.55	0.25
Matthew Hall	6.53	July 1	5.73	7.88	7
Kalamazoo .... int	*0.5*	*May 30*	*0.5*	—	2
Northern Engineering	3.6	July 1	3.6	5.25	5.25
Rio Tinto-Zinc	13.5	—	12	20	18
RMC Group	8.6	June 10	7.9	13	12
Sun Life	12	June 11	10	19.78	16.48
Telephone Rentals	4	July 2	3.75	6.25	5.75
Toye	3	June 7	2.25	3	2.25
United Parcels	2.2	—	2	3	2.8
Wade Potteries ...... int	1	May 31	0.6	—	2.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8DT Telephone 01-621 1212

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
144	123	Ass. Brit. Ind. Ord.	143	—	6.6	4.4	7.9	9.5
151	136	Ass. Brit. Ind. CULS	149	—	10.0	6.7	—	—
77	51	Airsprung Group	58	—	6.4	11.0	6.4	7.6
42	26	Armitage and Rhodes	34	—	2.9	8.5	4.2	7.0
145	108	Bardon Hill	144	—	3.4	2.4	14.5	24.2
58	42	Bray Technologies	53xd	—	3.9	7.4	6.5	7.5
201	170	CCL Ordinary	170	—	12.0	7.1	—	—
152	110	CCL 11c Conv. Pref.	110	—	15.7	13.8	—	—
1035	100	Carborundum Ord.	1035	+5	5.7	0.5	—	—
88	84	Carborundum 7.5pc Pf.	88	—	10.7	12.2	—	—
73	50	Deborah Services	50	—	6.5	13.0	4.8	7.7
314	182	Frank Horsell	314	—	—	—	12.6	16.5
268	170	Frank Horsell Pr.Ord.87	268	—	9.6	3.6	10.8	14.1
32	25	Frederick Parker	27	—	—	—	—	—
58	33	George Blair	58	—	—	—	3.9	7.8
50	22	Ind. Precision Castings	22	−1	2.7	12.3	6.0	6.5
218	185	Isis Group	189	—	15.0	7.9	7.5	13.8
124	101	Jackson Group	105	—	4.9	4.7	4.9	9.5
285	213	James Burrough	244	—	13.7	5.6	8.7	8.7
83	83	*James Burrough 9pcPf.*	85	—	12.9	15.2	—	—
87	71	John Howard and Co.	86	—	5.0	5.8	8.8	12.5
212	100	Linguaphone Ord.	212	+2	—	—	7.8	8.1
100	93	Linguaphone 10.5pc Pf.	98	—	16.0	15.3	—	—
650	300	Minihouse Holding NV	650	—	3.8	0.6	46.8	51.2
120	31	Robert Jenkins	48	—	5.0	10.4	—	—
60	28	Scruttons "A"	33	—	5.7	17.3	17.4	4.0
92	61	Torday and Carlisle	77	—	—	—	8.3	17.5
444	340	Trevian Holdings	340	—	4.3	1.3	19.3	19.0
29	17	Unilock Holdings	29	—	1.3	4.5	14.0	20.3
96	81	Walter Alexander	97	+1	7.5	7.7	9.6	11.7
247	216	W. S. Yeates	216xd	—	17.4	8.0	6.1	10.6

Prices and details of services now available on Prestel, page 48146

Public Works Loan Board rates

Effective April 17

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
1	—	—	11¾	—	—	12¾
Over 1, up to 2	11¾	11⅞	11⅞	12¾	12½	12⅝
Over 2, up to 3	11⅞	11⅞	11¾	12¼	12⅜	12⅜
Over 3, up to 4	11⅞	11⅞	11¾	12¼	12⅜	12¼
Over 4, up to 5	11⅞	11¾	11⅝	12⅛	12¼	12¼
Over 5, up to 6	11½	11¾	11⅝	12	12	12⅛
Over 6, up to 7	11¾	11¾	11⅝	12	12	12⅛
Over 7, up to 8	11½	11¾	11¼	12	12	12
Over 8, up to 9	11½	11½	11¼	12	12	11⅞
Over 9, up to 10	11⅜	11⅝	11¼	12	12⅛	11⅝
Over 10, up to 15	11⅛	11⅜	11	12⅛	11⅞	11½
Over 15, up to 25	11	10⅞	10⅞	11½	11⅝	11⅜
Over 25	10¾	10⅝	10⅝	11½	11⅛	11⅛

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by *half-yearly annuity* (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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UK COMPANY NEWS

APV at £8.6m as downturn gathers pace

THE DOWNTURN reported by APV Holdings for the first six months of 1984 became more marked during the second half and left group pre-tax for the full year £9.66m lower at £8 61m.

Turnover for the 12 months pushed ahead from £373.78m to £412.25m, the increase being evenly spread around the group. It was very similar for the UK companies and for the overseas operations as a whole.

Shareholders are told, however, that the decline in profits was concentrated on a narrower range of companies.

Group chairman, Sir Ronald McIntosh, says the biggest fall occurred at APV International at Crawley, where substantial losses were incurred.

Substantial losses were also incurred in South Africa and by the UK foundry company, APV Paramount. At APV Bell Bryant in Australia and APV Equipment in the U.S. profits were down sharply.

Sir Ronald says the deterioration in these companies' results compared with 1983 was approximately equal to the fall in group pre-tax profits for 1984.

Despite the setback, shareholders' dividend is being maintained at 11.25p net per 50p share, the final being 6.75p.

The group, a manufacturer of process and heat transfer equipment, entered 1985 with a larger order book than at the beginning of 1984, and the order intake for the first quarter remains "encouraging."

The orders were taken at more satisfactory margins than were generally applicable in 1983 and 1984.

Sir Ronald points out that strict controls are now in operation during the engineering and commissioning stages of large contracts and this should have a favourable impact on profitability.

He adds that the benefits of the rationalisation programme and the substantial reduction in overheads arising from it will also be increasingly felt in 1985 and 1986.

Trading profits for the year under review fell from £20m to £12.07m. They were struck after deducting distribution costs of £32.32m (£27.15m) and administration expenses of £47.46m (£42.65m). Other operating income was little changed at £3.55m (£3.43m).

Pre-tax results (they were some £2.2m down at mid year) included a £63,000 share of related companies' profits, compared with losses last time of £38,000. Interest charges acounted for £3.53m (£1.69m).

Tax took £5.01m (£7.21m) and after minorities (£5,000, against £591,000) available profits totalled £3.59m (£10.47m).

Basic earnings totalled 11.2p (34.1p) per share.

Following the changes in top management last July the directors instituted a rigorous programme of rationalisation and cost reduction throughout the group.

This involved a fundamental examination of all companies and action was taken to ensure their overhead structure was properly matched to expected demand.

A number of businesses were sold, closed or merged and the reduction of overheads, when the programme is complete, will be of the order of £5m.

Non-recurring expenditure on rationalisation and closures amounted to nearly £10m in 1984 and was treated as an extraordinary item. After all charges there was a retained loss of £9.48m (profit £3.26m).

Sir Ronald McIntosh

At year-end group net borrowings had increased by £12.3m and the debt-equity ratio had risen to 21 per cent. This was largely due to the purchase of the minority shareholding in APV Bell Bryant in Austraila and of Anderson Bros in the U.S.

● **comment**

The market has been cranking down its forecasts for APV for months and, following a change of management, some hefty below the line extraordinary charges were also anticipated. So, while the downturn of almost £10m pre-tax and retained loss of £9½m look nightmarish in relationship to forecasts kicking around a year ago of almost £20m pre-tax for 1984, the result is only marginally worse than expected. Anyway, the point now is how quickly new management can pull APV around. Last year loss making activities ran up a deficit of around £5m. With disposals, closures and the turning round of those businesses that remain the £5m should be recouped in 1985. Add in some growth—APV is a company that fares well from a weakening dollar—the benefits from having taken a sharp axe to overheads and a tightening up of the contracting companies and it is easy to see that profits could approach £14m to £15m this year. The shares at 248p, where the maintained dividend yields 6½ per cent, are rightly taking an optimistic line.

All-round growth boosts Grovebell

A YEAR of activity on the bid front has seen Mr Vasant Advani's Grovebell Group reach record pre-tax profits of £1.13m on turnover 64 per cent ahead at £42.68m.

The figures for the 13 months to end 1984 compare with profits of £892,000 on sales of £26.08m in calendar 1983, and include full year results to the year end of Western Medical Group, acquired last September, but do not take in the Atlanta Investment Trust acquired in December. A below the line charge of £148,000 relates to expenses of the failed offer for Marshall's Universal.

A final dividend of 0.3p net per share against 0.25p lifts the total from 0.25p to 0.55p.

Commenting on the results the chairman says that each of the group's activities—financial services and motor vehicle distribution—increased its contribution.

The financial services arm, incorporating trade financing and leasing, produced "very satisfactory results."

● **comment**

For almost 50 years Grovebell traded as a footware manufacturer. When in 1973 it slid its clogs what remained was a shell company and a garage. Out of the shell has come a trading and a financing business and out of the garage a motor distribution network. From the latter in 1984 came a poor performance which a loss of £198,000 from a Vauxhall dealership in Liverpool made worse—divisional profits were down to £78,600, a mere 3 per cent of sales. The earner has been trade financing—profit contribution up from under a half of the total to more than two-thirds. The medical equipment side which has grown mainly as the result of the purchase of Western Medical group in September, also did well. There was no contribution from Atlanta Investment Trust, bought (half for shares) in December for £5.9m. With the sale of Atlanta's subsidiary (for £350,000 in February) and the departure of all of its staff what has therefore been purchased is a £7m portfolio which should contribute at least £700,000 this year. Atlanta will also bring gearing down, at present it is over 85 per cent, once the assets are consolidated. However, the interest bill, which rose 70 per cent to £843,500 in 1984, could well remain heavy. Unchanged at 15p, the group's historic multiple is just over 8.

Scapa £20m rights to take advantage of rising UK market

IN A move primarily aimed to take advantage of what the Scapa Group considers will be a rising UK market, the company, a manufacturer of specialist fabrics for paper and board making processes, is seeking to raise £20.1m net via a one-for-six rights issue at 375p per share.

The cash call, the first since 1980, was announced simultaneously with estimated profits for the year ended March 31 1984 of not less than £27.3m, an increase of over £8m over the previous year. The projected outcome was down on some City estimates, but these were made when sterling was significantly weaker than the level at which Scapa translated at its year end.

The group's activities are heavily weighted towards the U.S., with something like 75 per cent of profits coming from there, and Mr R. W. Goodall, managing director, was quick to state yesterday that in dollar terms the results were just as good. He added that current trading was buoyant in the UK and U.S.

The underlying reason for the rights is the rapid growth of the group over the past five years, both in Europe and the UK. This has been financed partly by retained profits, but also by a high level of borrowings, especially in the

This has increasingly taken the form of U.S. Industrial Revenue Bonds which offer considerable tax advantages. The group's balance sheets show that out of a total of £5.4m secured non-bank loans in 1984, £3.7m was in this form.

Gross borrowings worldwide reached £53.7m last year, and the company says that the point has been reached where it was beginning to be constrained from taking full advantage of the flow of investment opportunities.

In addition, the three-year period to 1983 was particularly difficult in the UK, and capital expenditure had to be restricted, but "advances in technology have now made it advantageous to make substantial capital expenditure in 1985 and 1986, both in the UK and overseas."

The company has made plans for two new plants in North America at a combined cost of over £6m, to be financed out of net borrowings and cash flow.

It has also recommended a final dividend of not less than 7.28p per share in respect of the 1984-85 trading year, for which the new shares will not be eligible. This brings the total for the year to not less than 10.98p, a 20 per cent rise.

The rights has been underwritten by Lazard Brothers, and joint brokers are Cazenove and Henry Cooke, Lumsden.

● **comment**

Perhaps only the tax man will have cause to grumble about the call for £20m, but Scapa, well used to making the most of U.S. tax shelters, obviously feels it is time that the UK Revenue felt the effect of its tax avoidance skills. It has made it clear that most of the proceeds will be put to work in the UK where business has bounced back from the 1983/83 doldrums. One effect will be that the company can recover ACT as profits rise, which will please shareholders. The market yesterday certainly was not complaining, leaving the shares at 455p, down 5p on the day, and even the anlysts were quick to make very valid allowance for the slightly underachieving profit estimate—after all, their forecasts had been made when the pound stood at around $1.08. The future will largely be decided by Scapa's ability to maintain the niche that it has carved out for itself in a business where margins are high and capital intensively used. But the yied remains relatively low at 3.5 per cent.

Mohair ahead of forecast

A SLIGHTLY better-than-predicted second six months enabled British Mohair Holdings to lift its 1984 pre-tax profits from £3.53m to a record £4.21m.

The textile companies enjoyed satisfactory trading and the non-textile interests made significant progress. The latest acquisition, The Jewel Razor Company, made a "useful" contribution.

The group is continuing to invest in new machinery and is taking advantage of increasing market opportunities.

Shareholders are told that a "satisfactory" result is anticipated for 1985 with progress being maintained in all sectors—the group's principal activities are combing, dyeing and spinning.

Meanwhile, a final dividend of 4.75p (3.5p) makes a net total of 6p (4.65p) per 25p share.

Group turnover for 1984 pushed ahead from £31.16m to £36.72m, with the home activities showing an improvement of £3.35m at £25.67m.

Pre-tax profits included investment income, less interest payable, of £143,000 (£189,000). Tax rose from £1.09m to £1.65m. Earnings per share amounted to 19.73p (18.75p).

At six months the directors were looking for second half pre-tax profits of around £1.72m. In the event, they rose to £1.96m.

Brooke St makes £1.4m as demand grows

THE GOOD second half forecast by Brook Street Bureau has materialised. Profit has reached £966,000 to make £1.41m for the year 1984, a near £1m increase over the previous £437,000.

And shareholders participate in the expansion; their dividend going up from 1p to 4p net per share, with a final of 3p.

The directors of this clerical and administrative staff agency say the increasing levels of business during the year have continued into the early months of 1985. They are confident that, for the fourth year running, the group will show a "significant increase" in both turnover and profit.

In 1979 the group achieved a profit peak of £2.71m. The next year that was halved and the following two years saw combined losses of £2.3m.

The directors say that 1984 proved "highly sucessful." Buoyant levels of trading were experienced throughout the group, with the increase in profitability and sales of the UK activities being matched by equally successful results from the Australian and American businesses.

In the UK demand for skilled permanent staff grew throughout the year, while the number of temporaries found work was the hihgest for a number of years. "The demand for temporary staff is currently greater than for over a decade."

Turnover for 1984 expanded from £15.5m to £21.46m. After tax £469,000 (£66,000) the net profit comes to £936,000 (£371,000) for earnings of 9.05p (3.59p) per share. Last year there was an extraordinary debit of £115,000.

● **comment**

As Britain's oldest quoted employment agency, Brook Street have had an enviable record of generating sufficient cash to see them through the bad times. Since May 1983 cash flow has been positive and by the end of last year there was £1¾m net in the bank. By the end of 1985 that figure is expected to hit £2¼m—what the company's management considers about right for safety purposes. In February the shares put on 24p in two days, to reach the 1984-85 peak of 125p, following an announcement that several suitors had come forward. There is no solid news as to the progress of these talks but the effect of the takeover chatter has probably been to discount in advance most of the benefit from the good 1984 performance. Although both of the Hursts seem willing enough to sell at the right price which would include a hefty goodwill element above the current market level, the management terms being sought might put off all but the most ardent. For 1985 the analysts are looking for £2m pre-tax (on turnover up 40 per cent), that is a prospective multiple of almost 10 on 124p.

USM placing puts £15m price on Howard Group

The Howard Group, holding company of two Lloyd's insurance brokers, is to join the USM through a placing of 1.64m shares—about 14.1 per cent of the equity—at 129p a share.

The placing price gives the company a market capitalisation of £14.98m.

The placing, sponsored by Phillips & Drew and the Allied Irish Investment Bank, is of 1.48m existing shares and 162,350 new shares. It will raise £2.1m, of which £200,000 will be for the benefit of the company. Dealings are expected to take place from next Monday.

Following the placing, Allied Irish Investment Bank will hold 5 per cent of the issued capital and Calixo Holdings will have 75 per cent.

The groups two main broking arms are: C. Howard, which specialises in the reinsurance of large industrial risks, primarily relating to the Israeli oil and petrochemicals business; and Popple, which specialises in treaty reinsurance and the direct placing of U.S. risks.

Howard is forecasting pre-tax profits of not less than £2.9m for the year to September

Haden defends its profit

Haden, the engineering company fighting off a £37m bid from Trafalgar House, has rejected specific charges levelled at it by the industrial and services conglomerate.

It says the 1984 results, which came under attack from Trafalgar as "extremely disappointing," were adversely affected by losses and closure costs of discontinued businesses, and that far from being disappointed "we were pleased to announce that operating profits from continuing businesses increased from £6.9m to £7.4m."

Haden adds that its financial position at the end of 1984 was strong and remains strong today," and points to the £12.2m of net cash and investments and significant unused medium and short term borrowing facilities.

Prospects for the current year and beyond "are based on the strengths of our two core businesses, our record order books, and the tough remedial measures we have adopted," it says.

Haden closed at 310p last night, up 2p and 70p above the Trafalgar share offer, while Trafalgar was unchanged at 335p.

BOARD MEETINGS

TODAY

Interims: Aberdeen Trust, Audio Fidelity, Free State Geduld Mines, McKechnie Brothers, President Brand Gold Mining, President Steyn Gold Mining, Welkom Gold Mining, Western Holdings.

Finals: BETEC, Benford Concrete Machinery, Bensalls, Horace Cory, East Rand Gold and Uranium, Elbar Industrial, Hambro Life Assurance, Harris Queensway, Laporte Industries, Landu, Thomas Marshall (Loxley), SI Group, Scottish Mortgage and Trust, Securities Trust of Scotland, Tilbury, Ward White, York Trailer.

FUTURE DATES

Finals—

Arrow Chemicals	Apr 22
Debenhams	May 9
Hold Lloyd International	May 2
London Atlantic Invest. Trust	May 16
London United Investments	May 1
Marshall's Universal	May 1
Rush and Tompkins	Apr 30
Stat-Plus	Apr 23
Wingate Property Invests.	Apr 25

Blackwood shows first attributable profit since 1980

Blackwood Hodge, the world's largest distributor of earth moving equipment, turned round from taxable losses of £20.62m to profits of £3.04m in 1984.

And with the absence this time of extraordinary charges the group was able to show an attributable profit for the first time since 1980 of £1.91m.

However, because the losses incurred in 1983 with the subsequent reduction in the equity base have left borrowings at a high level, the directors are not recommending a return to the dividend list—the last payment was a 0.5p interim in 1982.

The taxable result was achieved on decreased turnover of £216.99m, against £266.98m, which included discontinued businesses, and was struck after lower interest payable of £9.8m compared with £14.5m—there were exceptional debits last time of £9.12m.

The directors say that UK activities performed soundly in the first six months of 1984 but suffered in the second half as the impact of the miners' strike on certain regions' major customers became more pronounced.

Direct export business remained at the depressed level experienced in 1983.

Turnover in Asia fell by 40 per cent but African operations maintained sales and profits. Canada enjoyed a slight recovery in market conditions.

Bank borrowings were reduced by £23.4m to £48.8m and amounts due to creditors under interest bearing stock financing plans fell by £9.2m to £9.1m.

Since the year-end the group has reviewed and agreed funding requirements with its bankers. Although the majority of the facilities are at call, the directors are satisfied that they will continue to be available for the ensuing year.

Retained profits for 1984 amounted to £1.82m (losses £30.18m) after tax of £883,000 (credit £2.28m), minorities of £249,000 (£1.39m credit) and preference dividends.

● comment

Blackwood Hodge has virtually completed its reorganisation programme. The balance sheet still looks terribly stretched by any normal standards with net debt equal to around 120 per cent of shareholders' funds but compared with past accounts shareholders have every reason to feel relaxed as stocks will continue to fall—working straight through to reduce bank debt. Its distributorship profile still lacks sufficient Japanese representation but that could be put right and while the UK market looks pretty flat the opportunities are there for higher exports. So certainly Blackwood deserves to be taken off the critical list of corporate patients. And soon, if not now, it will be at its most vulnerable to an opportunistic bid. That is something the management acknowledges but can do little to change. The price of 27½p is at a near 40 per cent discount to net asset value.

Al-Fayeds hold 76% stake in House of Fraser

THE Al-Fayed family of Egypt hold 76.1 per cent of the shares of House of Fraser following acceptances of its £615m offer for the Harrods stores group.

So far shareholders, other than the Al Fayeds themselves, holding 23.1 per cent of the shares have accepted the offer, which remains open. The Al-Fayed family already owned 53 per cent of the shares.

An extraordinary general meeting is scheduled to take place in Glasgow today of House of Fraser shareholders as part of the process of the takeover. In order to reduce the costs of the offer House of Fraser is reorganising its share capital. That move is to be put before shareholders for their approval at today's meeting.

The share capital reorganisation plan requires a 75 per cent majority of these voting since it is a special resolution. Merchant bankers, Kleinwort Benson, acting for the Al-Fayeds, said yesterday that the meeting should be little more than a formality.

Brixton Estate expands—earnings and assets up

AN INCREASE of 13.2 per cent in profits has been achieved by the Brixton Estate property group in 1984.

Net of tax the figure is up from £5.59m to £6.33m, and the dividend is raised from 4.6p to 5.15p net with a final of 3.05p.

Net rental income came to £17.47m, against £14.85m, and the investment profit was £8.82m (£7.83m). Tax takes £2.63m (£2.71m) and earnings are 7.73p (6.98p) per share.

At the year end investment properties totalled £252m, and net assets had risen from £132m to £144m for a value of 175p per ordinary share.

A professional valuation of completed and let properties at December 31, 1984 showed a surplus over book value £7.25m, excluding the benefit from exchange rate fluctuations. In a director's opinion the aggregate value of properties held for or in course of development exceeds the book value.

Th directors say that although the growth in the UK economy for 1985 is expected to be higher than last year, the demand for properties and the subsequent increase in rental levels is still likely to be restricted to high quality buildings in good locations.

All the new office and commercial units the group has available for letting are in the favoured parts of the Home Counties and "we would expect therefore to benefit from any upsurge in tenant demand," the directors state.

The current void factor on the whole of the investment portfolio, included complete new developments, is only 4.17 per cent.

RMC slows down to 13.5% increase

THE IMPROVEMENT in trading conditions which started in 1983 for the RMC Group and continued into the early months of 1984 was not sustained during the second half. After showing a rise of 19.6 per cent at the interim stage the pre-tax profit for the whole year is ahead 13.5 per cent, from £71.6m to £81.3m.

Trading in the UK and West Germany became more difficult as the year progressed. However, another strong performance from the concrete and aggregate sector in the UK and a contribution of "increasing importance" from the operations in the U.S. ensured an increase in profits over the year.

A split of the operating profit of £85.4m, compared with £74.1m, shows UK £54.7m (£47m), West Germany £15.5m (£18.1m) and elsewhere £15.2m (£9m).

For the current year the directors are forecasting a first half profit lower than the £31.7m of the 1984 period, and say they find it difficult to predict for the full year.

However, the sound base created coupled with the strong cash flow enables them to face the future with "confidence and resilence."

They explain that the current high levels of interest rates and the generally uncertain economic conditions in the UK already point to a fall in construction activity. There are no signs of recovery in the fortunes of the construction industry in West Germany, and to this problem is added the effects of the severe weather conditions in Northern Europe in the first two months of this year.

Earnings for 1984 moved up from 39.5p to 45.1p, and shareholders' dividend is lifted by 1p to 13p net per share, the final being 8.6p.

In the UK volumes for ready mixed concrete and aggregates were similar to those for 1983. Improved efficiency at all levels in the face of increased competition and higher costs enabled the concrete and aggregates sector to maintain its profitability.

The continuing programme of rationalisation by the Hall and Co builders merchants companies ensured an improvement in their profitability for the year. Hales Containers achieved further growth in both the industrial and civil engineering sectors. Aerated Concrete enjoyed improved trading in a year when there was a buoyant demand for high quality aerated blocks.

While the strength of the West German economy in 1984 stemmed from its export orientated industries, the construction industry had a mixed year.

In the first half there was an increase in volumes in the company's operations, but this was followed by "a sudden and dramatic fall" in the second half which resulted in an overall reduction in profit. The West German company has instituted a wide-ranging programme of cost-cutting measures to adapt capacity to reduced volumes.

Mr John Camden, chairman of RMC

The Great Mills d-i-y chain of superstores enjoyed another period of good trading and improved its profits.

During the year RMC invested £91.6m in businesses, properties, land and equipment. But strong cash flow and close control ensured that net borrowings remained within "satisfactory limits" of 27.6 per cent of shareholders' funds at the year end.

Turnover in 1984 expanded from £1.05bn to £1.17bn. The pre-tax profit was struck after interest charges of £10.1m (£6.4m) and included investment income £900,000 (£500,000). Tax absorbs £35.6m (£32.1m) and minorities £5.6m (£5.7m), to leave the attributable balance at £40.1m (£33.8m, before £1.3m extraordinary credit).

● comment

Yesterday's preliminary statement from RMC caught the market betwixt and between. The 13.5 per cent jump in pre-tax profits was broadly in line with expectations, but just about any message could have been read into the 1985 trading statement. The problem area is evidently West Germany but it is not clear—even to RMC—how far the current downturn results from miserable weather and how far it reflects an underlying deterioration in construction activity. At the end of the day, it may not much matter. Even if pre-tax profits for the current year are broadly maintained—with a boost of around £5m from the consolidation of RWK offsetting the trading downturn—earnings should be higher as a result of lower minority and tax charges in Germany. The market gave RMC the benefit of any doubts and left the share price 8p higher at 364p, where the yield of 5.2 per cent and the prospective multiple of 8 times reflect the maturity of RMC's basic business rather than the growth opportunities the group sees in DIY et alia.

Receiver called in at Espley

By Lionel Barber

Espley Trust, the troubled property group formerly run by Mr Ron Shuck, yesterday went into receivership.

The Espley board yesterday invited the Bank of Scotland to appoint a receiver to the company and several of its subsidiaries.

The move brings to an end a seven-month struggle for survival under new chairman and "company doctor," Mr Ronnie Aitken. Mr Aitken is to resign immediately.

The collapse follows efforts by Mr Gary Wakeham, chief executive, and two senior executives to negotiate the sale of major parts of the construction company, Espley-Tyas Corporation, to American interests. Last Tuesday time ran out with no agreement reached.

The final blow came when the Law Debenture Corporation, trustee of £7.3m of unsecured Espley loan stock, presented a winding-up petition. This prevented Espley using its bank account.

Espley confirmed yesterday, however, that it would continue with legal proceedings against Mr Shuck.

Under Mr Aitken, Espley made a desperate effort to survive, selling off the majority of its trading interests and several of its assets, including North American property interests.

Last month, Espley sold off a 37 per cent stake in an American property group to a UK consortium for $10m (£7.8m). Last February, the group said it had raised more than £10.15 from property sales in Swindon and Wakefield and from the sale of Codic, its Belgian property investment subsidiary.

Sun Life net profit rises 21%

A 21 PER CENT rise in proprietors' after tax profit in 1984 from £9.65m to £11.66m is reported by the Sun Life Group.

Dividend payments are being lifted by 20 per cent to 19.78p with a final payment of 12p.

Shareholders' profits from the main life fund last year showed a 12.5 per cent increase at £9.32m following the actuarial valuation of assets and liabilities. The actuarial bases for valuing the liabilities was kept unchanged and the proportion of surplus allocated to the proprietors was kept at 9 per cent. A record £94m was allotted to policyholders as bonuses.

The group's managed fund subsidiary, Sun Life Pensions Management, had a good year with profits more than doubling from £500,000 to £1.17m.

The unit linked subsidiary, Sun Life Unit assurance, returned a profit of £420,000 against £75,000 previously.

Investment income on shareholders' funds showed just a 5 per cent rise to £1.69m.

Total group funds rose by over £500m to reach £3.27bn at the end of 1984. Total premium income during the year rose by £26m to £416m.

● comment

Sun Life's moves over the past few years to diversify beyond its mainstream traditional life and pension business financed by proprietors, rather than policyholders funds, paid off in 1984 for shareholders. While profits from the mainstream life fund showed a staid 12.5 per cent growth, profits from the pension management and unit assurance operations showed strong growth and became significant contributors to the overall profit pool. These profit advances were achieved despite good new business written last year imposing initial train of those profits. The outlook for the current year is for a similar 20 per cent profit growth. Profits from the main life fund should continue to rise steadily and the growth seen from the diversification is likely to continue as the profit from last year's new business starts to emerge. The further diversification moves scheduled for this year—a unit trust operation and a segregated pension fund management service—should not impose much of a strain on this profit growth, even though it will be a few years before they start contributing to profits. The share price remained unchanged at 838p yielding 3.4 per cent gross.

Labour problems restrict Adwest

STRIKES HAVE held back the progress of the Adwest Group of engineers in the half year ended December 31 1984, and the pre-tax profit has only risen £200,000 to £2.86m. The interim dividend is lifted from 1.5p to 1.6p net.

Mr Frank Waller, the chairman, says the figures are disappointing. The nine week strike at Bowden Controls has cost £200,000 to £250,000 in lost profits.

Another strike, lasting three weeks, at Burman will affect the second half results, though it is too early to quantify this since the company hopes to recover part of the lost output through overtime working.

But, overall, sales and orders received this year are ahead of the comparable period, and the medium term outlook "appears promising."

For the full year ended June 30 1984 the group made a pre-tax profit of £8.31m, and paid a total dividend of 6.7p.

In the half year tax took £1.17m (same) and minorities £44,000 (£33,000), to leave the net attributable profit at £1.64m (£1.45m).

The group serves the automotive, engineering, and electrical industries.

● comment

But for a strike, Adwest might have been reporting profits 15 per cent ahead at the interim stage instead of these disappointing figures — and another stoppage will have an, as yet, unquantifiable effect on the second half. Nevertheless, the underlying fundamentals of the company look sound enough: backed by a strong balance sheet, it is emerging well from several years of rationalisation. The troublesome French Bowden subsidiary is back in the black (though recently-acquired Warwick is taking time to turn round), and improved performances are coming through from the electronics and increasing important property interests. The longer term strategic problem is that it is hard to see much growth in the core automotive parts business, where margins remain under pressure. Adwest is well aware of this and wants to use its strong cash flow for a substantial non-automotive acquisition. But which way will it jump? For the full year, it could manage £9m pre-tax from existing businesses. Assuming a 41 per cent tax charge, and a final dividend of 5.8p that puts the shares, at 162p, on a p/e of 9.5 and a yield of 6.6 per cent, which seems fair value.

Edenspring stake taken

BY LIONEL BARBER

A PANAMA-registered investment group, Teletrade and Finance Corporation, has acquired a 1607 per cent stake in the troubled over-the-counter stock, Edenspring Investments.

Mr Peter Jones, Edenspring's managing director, said yesterday that he had not been able to identify anyone in the Panama-based group.

"The shares were bought through brokers Vivian Gray and Company and I am arranging a meeting later this week," said Mr Jones.

Edenspring, whose recently acquired home computer subsidiary, Oric, went into receivership last February, also disclosed that a director, Mr Nicholas de Savary, has sold 3.75m shares (2.47 per cent) in Edenspring and will resign from the board shortly.

Southampton IoW

Southampton, Isle of Wight and South of England Royal Mail Steam Packet reported a fall in pre-tax profits from £2.09m to £1.89m in 1984, on turnover ahead at £9.33m, against £9.18m. The result was affected by industrial disputes in the Port of Southampton which have now been resolved.

After a reduced tax charge of £0.58m (£1.09m) stated earnings per 50p share were higher at 38.52p (29.62p).

London & Strathclyde

London & Strathclyde Trust increased net asset value per 25p share from 162.2p to 204.5p in the half year ended February 28 1985. Earnings rose from 0.73p to 1.02p and the net interim dividend is unchanged at 0.85p.

Gross revenue was £695,874 (£408,934). After expenses and tax, net available revenue came out at £242,565 (£105,801).

No advantage in LMI bid says Allied

Allied Textile Companies, which is fighting a takeover attempt from London and Midland Industrials, said last night that LMI's offer document had presented no case to support the "alleged commercial logic" of the bid.

In a letter to shareholders, it added that "LMI is attempting to obtain substantial benefits from the bid for its own present shareholders and there is no comparable advantage for ATC's shareholders."

LMI retorted last night with a statement saying that the letter contained no detailed arguments as to why ATC shareholders should not accept the offer.

LMI's paper offer is worth 494p for each Allied share, on the basis of last night's LMI closing price of 190p, down 1p on the day. Allied closed unchanged at 500p. The partial cash offer is worth 465.4p per share.

COMPANY NEWS IN BRIEF

SEVERAL INSURANCE undertakings, named as possible bidders for the ailing UK composite insurance group Commercial Union Assurance, yesterday denied that they were such a bidder.

Allianz Insurance again confirmed that it was not planning a bid and had not made any significant share purchases. Swiss Reinsurance said it has no interest in CU.

The two UK insurance groups whose names have been linked with CU — General Accident and Guardian Royal Exchange — both stated that they were not involved.

Nevertheless, CU's share price continued to be well supported, rising to a new 1985 peak of 234p early in the day before closing 5p higher at 231p.

* * *

Brokers Laurie Milbank have completed the placing of 1.34m ordinary shares in Electron House, a distributor of electronic components, at 117p per share prior to its joining the unlisted securities market. At the placing price the company is valued at nearly £6m.

Electron is forecasting pre-tax profits of £375,000 for the year to May 1985 for a prospective p/e of 21.3. The yield is 3.3 per cent on an annualised dividend of 2.7p.

* * *

Bass, the brewing group, has bought 2.11m Horizon Travel shares from Lancashire United Transport and 1.08m shares from the Greater Manchester Transport Executive. The purchases, identified yesterday, along with others made last Monday, bring Bass's stake in Horizon to 25.6 per cent.

Last month Bass and Horizon agreed to combine their overseas hotel and apartment businesses in a joint venture. As part of the deal Bass will receive 7.47m shares or 15 per cent of the enlarged share capital.

* * *

Siebe, the safety products and engineering group formerly known as Siebe Gorman Holdings, has agreed terms in two transactions involving the disposal and leaseback of group properties in the U.S. and the UK.

The first, completed on April 4, involved the purchase by two Rhode Island-based companies, Sailor Associates and Fleet Finance Group, of Siebe's land and premises on Rhode Island, for net proceeds of £3.9m.

The second, completed on the same date, resulted in the sale or lease of 10 properties situated in the UK to Mars Security, subject to a leaseback arrangement for a 10-year period. Net proceeds of the sale amount to £3m, against a book value of £2.9m.

Siebe's shares rose 7p to close at 600p last night.

* * *

Guardian Royal Exchange has agreed to buy Talbot Bird, a U.S. marine underwriting agency, from the American steel company Armco.

GRE will pay around $7m for Talbot Bird, which specialises in hull, cargo and inland marine insurance.

Talbot Bird's premium income totals around $90m a year, and will increase by three quarters GRE's involvement in the U.S. GRE of America had premium income of £167m in 1984.

The purchase is subject to the approval of the New York state insurance commissioner.

MINING NEWS

RTZ earnings at £210m and bigger dividend

BY KENNETH MARSTON, MINING EDITOR

AS EXPECTED, a further increase in profits during 1984 has been achieved by the UK-base of Rio Tinto-Zinc international mining and industrial group.

At the pre-tax level they have risen 16 per cent to £670.3m while the net attributable total comes out at £210.7m, or 68.03p per share, compared with £172.5m in 1983.

The final dividend is increased by 0.5p to 6.5p per share, making a 1984 total of 20p against 18p for 1983.

The weakness of sterling in relation to the strength of the U.S. dollar has been, on balance, a help. Notably, it has increased earnings in sterling terms from the group's metal sales priced in U.S. dollars, despite low metal prices.

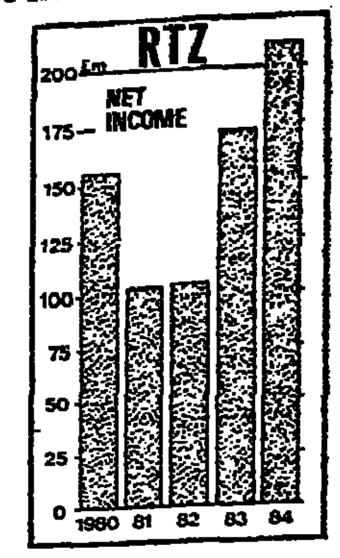
Even so, the contribution to RTZ net profits from metals in the past year has still fallen to £82m from £89m. However, in net attributable terms that from the industrial interests has climbed to £168m from £126m while the contribution from energy has risen to £58m from £46m.

Among particularly good performers, RTZ Borax earned £89.7m of group attributable profits in 1984 against £56.4m in 1983. Sales of borax were particularly strong in North America and the revenue therefrom was boosted by the dollar-sterling exchange rate.

The RTZ Pillar aluminium and steel arm did well as did the Canadian Indal metal fabricating and engineering group. The Canadian Rio Algom doubled its contribution thanks to the new Stanleigh uranium mine and improved results from Atlas Steels.

In South Africa the low-cost Palabora copper mine lifted profits but now faces technical problems with its autogenous mills. The UK RTZ Oil and Gas boosted earnings, helped by a better than expected contribution from the interest in the North Sea Forties field.

On the other side of the coin, the UK RTZ Metals suffered from lower metal prices while the big Rossing uranium mine in Namibia saw earnings fall by half, to a contribution of £7.3m to RTZ's net attributable profits, mainly because of the onset of tax: other things being equal it should do no worse this year.



The main disappointment, as already reported, came from the performance of the CRA Australian arm. Its contribution to RTZ fell to £29.9m from £40.9m, largely because of low metal prices. But because of the effect on metal prices of the closure of high-cost production capacity elsewhere in the world coupled with exchange rate benefits CRA's copper and aluminium interests could do better this year.

Overall, RTZ does not expect world economic activity to expand this year as much as in 1984 and this may slow the pace of improvement in the group's industrial interests. Conditions in the energy sector are expected to remain difficult, although further progress is anticipated in the group's oil and gas interests.

What cannot be forecast is the likely changes in currency rates which have an important bearing on this international group. For the time being it has to face the fact that, apart from any effects on metal demand arising from a possible slowdown in the U.S. economy, the weaker value of the U.S. dollar will adversely affect overseas earnings translated into terms of sterling.

In the London share market yesterday, the group's 1984 earnings caused some disappointment but the rise in dividend was well received. The net result was a fall in the share price of 13p to 642p after 635p.

See Lex

Disappointing reports from Gencor gold mines

GOOD CONTROL of operating costs was the main positive feature in an otherwise generally disappointing batch of quarterly reports from the South African gold mines in the Gencor group.

One mine, Kinross, managed to reduce its unit costs, and only the ageing Marievale suffered a substantial increase.

Nevertheless, all the mines apart from Buffelsfontein and Bracken reported lower profits, mainly because of the higher tax surcharge imposed on gold and diamond mines in last month's Budget. The group opted to apportion the increased tax charge over previous quarters where applicable.

A number of the mines are still hedging part of their production in order to build in a guaranteed base price, but this has produced no marked variances between the prices received by the individual mines.

As in the December quarter, Buffels produced record profits at the pre-tax level, helped by higher gold output arising from the slight increase in the grade of ore mined from 8.7 grammes of gold per tonne to 8.9 grammes. Profits before tax came out at R86.5m (£36m), and the net figure rose from R70m to R75.2m.

For the first time, Gencor included a full quarterly report on the Beatrix section, which is operated by Buffels. Milling rate, grade and gold production all showed sharp advances, and the new operation recorded a profit of R55.5m after a tax credit of R51.5m. These funds have been applied to further development.

Bracken also benefitted from a rise in gold output and operating costs which were virtually maintained from the previous period, to record net profits 6.5 per cent higher at R3.3m.

Of hte other mines, St Helena, Kinross, Unisel and Stilfontein all suffered a higher tax charge, partly as a result of the increased surcharge and partly because of improved profits.

St Helena reported that the break-up of the Beisa uranium mine, which was closed down last year, is proceeding satisfactorily.

Gold grades at Grotvlei fell from 3.6 to 3.9 grammes per tonne, more in line with normal expectations, because clean-up operations at the mine's old treatment plant are nearing completion.

The mine's profits also suffered from a slight fall in gold production, as did those of Leslie.

Winkelhaak continued to operate satisfactorily, but reduced sundry income led to lower profits,

International Appointments

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for its Computer Centre

Qualifications required: (a) Ph.D. in computer sciences or in software engineering or in management information systems. (b) At least three years' experience in software and in organisation and information systems applications. Experience in banking operations will be considered as an additional qualification; (c) Greek nationality; (d) Age up to 40; (e) Completion of military service or exemption from it, certified by the military authorities; (f) No conviction judgment for criminal charges.

Interested applicants are requested to send their applications together with: (a) Curriculum vitae; (b) Published papers; (c) Two recommendation letters; (d) Certificate of previous working experience; (e) A photocopy of the Ph.D. degree, to the Bank of Greece, 21 Panepistimiou Str., Athens 105 64—not later than April 30th, 1985.

Taking into consideration the qualifications mentioned above, a selection committee will call the most highly qualified applicants for an interview which will be held at the Bank's headquarters in Athens, on May 20th 1985, at 9.00 a.m. (Room 241). The monthly salary range is Drs. 150,000-Drs. 180,000 depending on qualifications and experience, plus family allowances. The appointment will be based on a contract of indefinite duration.

Travelling and accommodation expenses, relative to the participation in the interview, will be borne by the applicants. For further information, telephone 3236762. Bank of Greece—Personnel Department.

SENIOR CREDIT AND MARKETING POSITIONS
— GULF REGIONAL BANK —

A Bahrain-based Gulf Regional Bank is seeking qualified candidates for the following two positions:

REGIONAL CORPORATE BANK HEAD

The head of Regional Corporate Banking will be a member of the Bank's Senior Management responsible for all corporate business within the GCC states. The candidate must have regional marketing experience and a solid background in credit. Ideal candidate should have a minimum of 8 - 10 years banking experience coupled with 5 years managerial exposure. Knowledge of Arabic, although useful, is not essential. Compensation Package is competitive and attractive.

SENIOR CORPORATE RELATIONSHIP MANAGER

This position will report to the Regional Corporate Banking Head. The individual holding this position will be responsible for a portfolio of accounts in the GCC states with heavy emphasis on the marketing of new accounts. Regional marketing experience is essential and candidates should have at least 5 years of commercial banking experience. Knowledge of Arabic, although useful, is not essential. Compensation Package is competitive and attractive.

Applications enclosing a full C.V. should be addressed to:

Reference: E.A.
P.O. Box 726
Manama
BAHRAIN

International Fixed Income
SENIOR PORTFOLIO SPECIALIST
Kuwait

KUWAIT INVESTMENT COMPANY (S.A.K.), Kuwait seeks a Portfolio Specialist experienced at a senior level in multi currency bond portfolio management. The successful candidate should be in his 30's, have at least 5 years of bond portfolio management experience, experience in formulating investment strategy and a solid educational background in finance.

The package of benefits includes attractive salary, fully furnished accommodation, and other benefits.

Please reply in writing, enclosing a detailed curriculum vitae, to:

Kuwait Investment Company (S.A.K.)
Administrative Manager
P.O. Box 1005 Safat Kuwait

International Audit Manager
Brussels — **Attractive Salary Package**

As a result of the restructuring of its European audit function, our client, a large industrial U.S. conglomerate is seeking an International Audit Manager. The department has responsibility for both operational and financial auditing of subsidiaries in Europe. The appointee will be responsible for:

★ Planning all audit work, allocating resources to take account of existing requirements and future developments.

★ Designing and implementing comprehensive audit programs covering all business group locations.

The ideal candidate will be a Chartered Accountant, aged 32-40, with managerial experience gained in a major professional firm or in a multinational company. This challenging position will require extensive contact with all levels of management, and excellent communicative skills are therefore required. In addition to an excellent starting salary, there is an attractive benefits package.

Interested applicants should contact **John Archer** on **010 322 648 1384** or write to him, enclosing a comprehensive c.v., at **Michael Page International, Rue Vilain XIIII 55, 1050 Brussels (Belgium).**

Michael Page International
Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Dr. Dieter Jäggi Partner AG Zürich
Agentur für Kommunikations-beratung
CH-8001 Zürich
Schifflände 22
Telefon 01 252 54 34
Telex 59 617 jcom ch

Our client is a highly successful international company in the health care sector. The Swiss subsidiary is involved in manufacturing, European marketing and distribution in Switzerland, employs roughly 150 people and has sales of approximately Swiss Francs 40 Million. The company requires a

Financial Controller/Director
Switzerland

THE JOB:

Member of the top management team responsible for all financial aspects of the company. As such he plays a key role in the formulation of short and long term goals and the implementation of the necessary financial strategies to achieve them.

Specifically responsible for

- all aspects of financial control with emphasis on ensuring the company's cost accounting provides management with accurate profitability information
- preparation of the company's annual strategic and operating plans
- matters of taxation, both in Swiss and international context.

THE PERSON:

Probably a Lic. oec. (M.B.A), a chartered accountant (auditing) or a Dipl. Bücherexperte (CPA) or equivalent. Preferred age 30–37. Must have experience of standard costing. Knowledge of Swiss taxation would be a distinct advantage. Fluency in English and German is essential.

If you feel qualified for this challenging position, please write in strict confidence to Dr. Peter P. Knobel. Mention should be made of any companies you do not wish us to contact.

GARVIN GUY BUTLER CORPORATION

Require an ambitious young person with 3-5 years' broking experience to work in the Dollar deposit and associated markets in North America. An attractive salary will be paid to the successful candidate with excellent future career prospects.

Please apply in writing giving full details of career to date to:
Mr G M Gascoine,
GUY BUTLER (INTERNATIONAL) LIMITED,
Adelaide House, London Bridge, London, EC4R 9HN.

INTERNATIONAL APPOINTMENTS
APPEAR EVERY THURSDAY
Rate £37.00 per single column centimetre

Accountancy Appointments

Financial Controller

Financial Services
to £25,000 + car + benefits
City

Amongst the largest metal and commodity brokers in London, this long established group is at the forefront of commercial developments both in the City and internationally. Its reputation for excellence and its success can be attributed to the calibre and professionalism of its staff.

The rapid growth and success of the Financial Services company has led to the creation of the new position of Financial Controller. Reporting to the Managing Director the Financial Controller will be supported by managers of the administration and treasury functions and will have direct responsibility for the day to day running of the accounts and computer departments.

Candidates should be qualified accountants aged in their late 30's, ideally with experience of futures or financial services operations. A strong interest and understanding of international markets is essential, together with drive, determination and commercial flair.

Please reply in confidence, giving concise career, salary and personal details to J.J. Cutmore, Executive Selection, quoting reference ER775.
Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Finance Director

S.E. England — c.£30,000 + car etc.

The highly successful Property Development Subsidiary of an International Group is looking for a dynamic and entrepreneurial Finance Director. This is a key appointment in achieving expansion for the Company, which is planning to move towards greater independence.

Key responsibilities will be the preparation of feasibility studies, the negotiation of finance packages for projects and the presentation of financial progress reports, as well as for the accounting function overall.

Candidates are likely to be in their late thirties and looking to make a decisive career move. They should have experience of raising finance and of negotiating with City financial institutions. The ability to present projects and relate to senior colleagues in a professional yet down-to-earth manner is important, as is a realistic appreciation of operational constraints.

Please apply in confidence, explaining how you meet our client's needs and quoting reference 6513/L. to A. R. Turl, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD. Tel: 01-236 8000.

PEAT MARWICK

riverside studios
Crisp Road Hammersmith W6

requires a

FINANCIAL CONTROLLER

An experienced person to head the Finance Department. Salary c. £12,000 negotiable. Please write enclosing c.v. to the Chairman at the above address. Closing date for applications 29th April 1985. Riverside Studios is an equal opportunities employer.

New opportunity with a major group.

PLANNING ACCOUNTANT

North London — £15,500 + Banking Benefits

Our client, is a successful financial services subsidiary of a leading UK banking group.

Due to rapid growth and internal reorganisation a need has arisen for an ambitious accountant to work within this high profile role, interfacing with all the operations of the business. Integral duties will include budgeting, forecasting and project work such as expansion into new products and joint ventures.

Applicants should be qualified accountants (ACA/ACCA) aged 25 – 30 years who believe they have the ability and potential to meet this challenging opportunity.

Interested applicants should either ring, or write enclosing career details to, Judith Richardson or Caroline Benton at our London office, quoting reference number 5192.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Management Accountants

Central London — To £20,000

British Telecom Enterprises comprises a number of well-established and substantial companies including Merlin and Yellow Pages, as well as several smaller ventures with considerable potential. The division has a confident business strategy of which expansion and diversification are important features.

It is within this context that B.T.E. now urgently requires talented graduate, qualified accountants able to make a positive contribution in:

- developing and improving management information and related systems,
- reviewing proposed new investments of all types.
- monitoring the performance of existing businesses and investments,
- carrying out and reviewing the results of financial investigations,
- advising management on the finance-related aspects of the businesses.

Candidates must have had at least two years' post-qualification experience ideally within a marketing-oriented company, or in a consultancy, and should have a markedly commercial perspective. Qualities of commitment and a flexible intelligence are essential attributes.

Applications please, quoting Ref. 159/1, to the consultants advising us on this position: Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1142.

British TELECOM

CHARTERED ACCOUNTANTS WITH BANKING EXPERIENCE

Ernst & Whinney's extensive and expanding banking sector interests are serviced by a banking industry group which blends its specialist accounting and consulting skills into a cohesive client service team.

We wish to add to our already substantial expertise in this growing area and would like to hear from bright and ambitious professionals who can offer experience and understanding of banking.

Excellent financial and career prospects are available to men and women of 27/35 with strong practical experience of bank accounting, consulting or auditing and who have the energy, commitment and communication skills to make their mark quickly in a professional challenging environment.

Please write in confidence to:

Tim Curry, Ernst & Whinney, Becket House, 1 Lambeth Palace Road, London SE1 7EU. Telephone No. 01-928 2000.

Ernst & Whinney
Accountants, Advisers, Consultants

European Auditor

London base

Our client, a prosperous and expanding American multinational is currently looking for an experienced auditor to join an established team of young professionals. Reporting to the European Audit Director you will participate in an operational audit programme for the company's major West European and African locations, necessitating 50% travel with a return to home base most weekends. Current audit activities include financial systems evaluation, controls, operational methods and practices, special projects, investigations and acquisitions work.

The group organises regular training and personal development courses which involve US exchange assignments.

A Chartered Accountant, with one or two years p.q.e.; you should have strong interpersonal skills and possibly experience of working in Europe. A second European language and a general knowledge of financial operations and US accounting practices would be advantageous.

The company, highly rated as a progressive employer, offers an attractive salary, excellent benefits package and generous relocation assistance where necessary.

Prospects for future progression into line management are excellent. Interested applicants should contact **Mark Brewer** on **01-242 0965** or write to him at **Michael Page Partnership, 31 Southampton Row, London WC1B 5HY,** quoting ref. L2030.

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

FINANCIAL ANALYST AND PLANNER

Location: Hare Hatch, Near Reading
Salary: c £15,000

Fisher-Price Toys
(Division of Quaker Oats Ltd)

Our Client is Fisher Price Toys, a division of Quaker Oats Limited. Their European headquarters are based at Hare Hatch, near Reading. They now wish to fill the important position of Financial Analyst and Planner. The position will report directly to the European Financial Manager and will have responsibility for a wide range of new financial services. Fisher Price Toys are looking for someone who either has a Business Studies degree or has qualified as an ACMA or ACCA, with a relevant Numerate degree. There will be considerable freedom and the opportunity to contribute significantly to the financial development of the company. You will be probably in your mid twenties and have between three and four years experience and be able at interview to identify clearly your thoughts on the application of financial planning to the development of the company.

Please contact John Goldsmith People Limited, 159a Gloucester Road, London SW7 4TH Tel 01-370 2012 (01-373 5428 - 24 hours).

JOHN GOLDSMITH PEOPLE
International Personnel Consultants

Accountancy Personnel
Placing Accountants First

FINANCIAL CONTROLLER

Crayola

BEDFORD — c£18,000 + Car

Our client, Binney & Smith, is a wholly owned subsidiary of a US company, involved in the production, marketing and sales of Crayola toys and stationery products.

This successful and dynamic company now wish to recruit a fully qualified accountant to control all aspects of the Company's accounting procedures, including banking and investment programmes, tax planning, and property management. In addition the successful candidate will be expected to become involved in the development of European Subsidiaries and the analysis of acquisition plans.

Personal qualities should include a high degree of commitment and enthusiasm, with an ability to communicate effectively at all levels.

For further information please write/telephone quoting SP/610 to:

Ashton House, 469 Silbury Boulevard, Milton Keynes MK9 2AH.
Tel: 0908 661707

MIDDLE EAST Chief Accountant

c£25,000 + benefits

Our Associates, a major Gulf trading company based in Qatar require a Chartered Accountant as a senior member of its management team.

The position includes the responsibility for all aspects of financial control and must combine commercial awareness with first class accounting skills.

The successful candidate must be able to demonstrate an excellent record in a similar overseas position. This is a married status appointment requiring flexibility and the social skills necessary for this type of appointment.

In addition to the salary a generous and comprehensive package of expatriate benefits is offered which will enable the selected applicant and his wife to enjoy a comfortable life style in a pleasant and stable part of the Gulf.

Please write giving full career details to: BJ Stephens, London Bridge Engineering Limited, Consulting Engineers, 16 Abbots Lane, LONDON SE1 2UT.

LBE LONDON BRIDGE ENGINEERING LTD

IR INSTRUMENT RENTALS

FINANCIAL ACCOUNTANT

CHIEF ACCOUNTANT DESIGNATE

Heathrow Area c. £14 K neg + benefits

Instrument Rentals (UK) Ltd., a fast growing enthusiastic company in the electronics industry and a subsidiary of U.S. Leasing Inc., requires a qualified accountant (ACA/ACMA/ACCA) for the above challenging position. The successful candidate reporting to the Finance Director Designate will be 25-30 with experience of modern computerised accounting systems and adhering to strict deadlines.

In the first instance please send your c.v. to:

Keith M. Cornelius, FCA
Instrument Rentals (UK) Ltd.
Dorcan House, Meadfield Road
Langley, Slough, Berks. SL3 8AL

Accountancy Appointments

European Financial Analysis Manager

To £20,000+Car French Speaking

An international consumer products group is now seeking an accountant with all-round financial and management accounting skills to join the small European headquarters team which is based in outer west London.

The position, reporting to the European Finance Director, will involve the management of the Region's financial reporting and management information systems; supervision of accounting practices and procedures; analysis of financial performance; onward reporting to Group, and a small central accounting responsibility. There will be approximately 15% – 20% short period European travel.

Applicants should be qualified accountants, with several years' industrial/commercial experience. A previous European role or experience working in a multi-site position would be an advantage. Age guideline late 20's or early 30's.

Please apply in confidence, quoting ref. L 172, to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place
Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Group Finance Director

A medium sized and expanding public group, which manufactures a range of well known products, requires a finance director. The group's subsidiaries in the UK and Europe have a successful record, utilising modern production and engineering facilities with sophisticated control systems.

Reporting to the Managing Director and as a key member of the management team, the finance director will be responsible for the group's financial affairs. This will include enhancing controls and systems, monitoring performance and advising on the financial implications of business decisions.

The requirement is for a qualified accountant, aged around 40, with strong practical, technical and management skills. Experience of engineering or related manufacturing companies that use advanced computerised control systems is also sought.

Location: Buckinghamshire.

Remuneration: around £30,000 plus car and other benefits.

Please write in confidence to CT Garcia (Ref 2311).

KMG Thomson McLintock
Management Consultants
70 Finsbury Pavement London EC2A 1SX

Financial Controller

Central London c£23,000+Car

Applications are invited from qualified accountants, ideally aged 32 to 40, who currently hold a senior financial management position within a manufacturing environment and who possess in-depth process costing knowledge.

Your role will be as Financial Controller of a newly created division of a large international group. Companies within the division manufacture and market processed food products with an annual UK turnover of about £100 million. Working closely with the Marketing Controller as part of a small team reporting to the Chief Executive, your challenge will be to improve and develop all financial and accounting controls and activities within each of the self-accounting units of the Division. There will be particular emphasis upon creating financial awareness as well as an improved sensitivity to market needs and the identification of market opportunities.

This newly created appointment is an exciting opportunity for a dynamic, innovative accountant who wishes to contribute significantly both to strategic development and day-to-day management. There are real opportunities for career development in the Group, which has international interests in the production, marketing, wholesaling, and retailing of food, as well as shipping, insurance, property and other industries. Our client employs more than 30,000 people worldwide. Turnover exceeds £1,000 million p.a.

The excellent remuneration package, which is genuinely negotiable, includes a fully expensed two litre car. Generous relocation assistance can be provided.

Write or telephone in confidence (naming any firms which you would not wish to be put forward to) Nicolas Mabin, Regional Manager, quoting reference: LG1090.

Management Personnel
Recruitment Selection & Search
2 Swallow Place, London W1R 7AA.
Telephone: 01-408 1694 (out of hours 01-809 2783)

MANAGEMENT CONSULTANCY
A shrewd move?

The move into Management Consultancy could be the shrewdest move of your career. But it also means a change of direction, and that's not a decision you should take overnight – not without carefully considering exactly what Management Consultancy has to offer.

As one of the top 8 accountancy firms in the UK, and with a high proportion of growth orientated clients, Thornton Baker has always had a lot to offer its professionals in terms of variety, challenge, and responsibility. This is especially relevant for those in Management Consultancy – a continually expanding area of our work.

As one of our London-based Consultants your main objective will be to help our clients improve their management and financial performance. You'll need sharp awareness of the financial implications of a company's decisions, and you'll also need to combine a thorough knowledge of accounting and related systems design and operation with the ability to organise a finance function.

We'll provide you with training, and as you'll be working with highly experienced people, you will achieve your potential quickly.

Our Consultants work on assignments for an unusually wide and varied client list including government and related organisations, so you'll find there's continual challenge in your work. And since on each assignment you'll gain insight equivalent to that of the Financial Director, you will build a depth and breadth of knowledge that goes far beyond it.

You can find Management Consultancy a highly fulfilling career in itself, or you can see it as a stepping-stone to another career – Financial Directorship or general management, for example. However you look at it, there's little doubt that for ambitious and talented professionals, Management Consultancy offers unparalleled scope and opportunity.

If you think you have the potential and ambition to succeed with us and are a qualified accountant aged around 28 with relevant industrial experience, write enclosing your C.V. to: Anita Towell, Thornton Baker, Fairfax House, Fulwood Place, London WC1V 6DW.

Thornton Baker tb Nobody gets closer to clients

A forceful Accountant in banking....

FINANCIAL MANAGEMENT

The development of management information in a major bank

c.£18,000 + banking benefits + car.

Our client is the European division of a major U.S. bank, with ambitious development plans to broaden both their client and product base. The increasing sophistication of banking markets and products has created the need for a Senior Financial Manager to review and develop the financial and management reporting requirements of the bank, providing a creative link between operations and banking areas. This will require:-

- Interpretation of results, reports, and projections of future positions; and *presentation to senior management.*
- Identification of key accounting and financial control information requirements and the development of 'practical' systems to address these.
- Supervision of a group responsible for preparation and analysis of financial information and regulatory reporting.

We seek a qualified Accountant, preferably aged between 27-32, with at least 18 months' post-qualification experience outside the profession. Ideally this would have been within a large banking organisation. Graduates who are part qualified Accountants will also be considered.

Most crucially, the success of the appointee will depend on having the personality and drive to forge close links with marketing officers and other 'front-line' bankers.

Interested candidates should contact Kevin Byrne, either by sending a detailed C.V. or telephoning 01-588 6644. Applications will be treated in strictest confidence.

Anderson, Squires Ltd., Bank Recruitment Specialists, Blomfield House, 85 London Wall, London EC2M 7AE

Anderson, Squires

BUSINESS DEVELOPMENT MANAGER
TRADE FINANCE BANKING

The Company:

A subsidiary of a large, prime, U.S. corporation, our company is active in all aspects of trade-related financing and trading. Controlled from London, we have banking and trading companies in Hong Kong, Japan, Luxembourg, Portugal, Spain and the U.S.A.

The Position:

We are looking for an additional member of the management team to develop business. This will be mainly with UK companies which are looking for innovative commercial trade finance packages. It is intended that after a short period of company orientation, the appointee will spend a minimum of three or four days per week out of the office visiting potential clients around the U.K.

The Person:

A self-motivated banking professional who has at least 5 years' experience of "cold-calling" on target customers, together with a sound background of trade finance services.

The Rewards:

A career with a team of professionals in an exciting and expanding business environment. The initial salary indicator is up to £25,000 plus a car and the usual banking benefits.

Write Box A8970, Financial Times, 10 Cannon Street, London EC4P 4BY.

SENIOR COMPUTER AUDITOR
International Operations

MOORE – founded over 100 years ago is the acknowledged market leader in Business Forms. It is a multinational group of companies with operating plants in most countries throughout the world, employing some 25,000 people.
Corporate Head Office is located in Toronto, Canada, whilst the Computer Audit function is directed from Chicago in the USA.
The International Division employs about 10,000 people world wide and is also headquartered in Toronto.
The computer audit staff operates within the International Division for which the Senior Computer Auditor, together with the Corporate Computer Audit Manager, is responsible.

THE JOB The Senior Computer Auditor, International Operations, will be located in London and will plan and perform audit functions which ensure that international computer installations are adequately controlled, secure and effective throughout the world-wide International Division. The successful candidate will also be responsible for performing reviews of System Design Projects. Evaluation of the adequacy and effectiveness of the operating management and EDP controls come within the responsibilities of the job. The successful candidate will determine that data processing management, together with operating management, is developing and administering data processing systems in accordance with Corporate policies and practices.
A car will be provided to the successful candidate and 21 days annual holiday is the job entitlement. A company paid health insurance plan operates, together with a contributory pension plan.

YOU will hold a degree in either Computer Sciences or Accountancy with a working background in both areas, or equivalent experience.
You will have had extensive experience in performing or reviewing programming and systems analysis functions.
Financial and EDP controls, audit procedures, operations and concepts also fall within your expertise.
You must have the ability to work with little direct supervision and be able to assist in audit staff development.
As it is an international assignment some world wide travel is envisaged. The greater part of the job is European based and French or another European language is very desirable.
Initiative, motivation and inter-personal skills are essential qualities to this appointment, as are good communicating skills.
Finally, you will currently be earning not less than £16,000.

MOORE

Applications in writing should be made to:

K.E. Dowling
MOORE BUSINESS FORMS LIMITED
81 Southwark Street London SE1 0HX

Enclosing a comprehensive curriculum vitae.

Divisional Financial Controller

N. Surrey to £20,000+car

Our client, part of a highly successful UK group, is the country's leading scientific systems and software company.

Continuing expansion and decentralisation have resulted in the need for a first-rate Divisional Financial Controller to establish the new finance function from the start including the development of sophisticated computer systems.

Preferably a graduate aged 30+, you will be a qualified accountant and *must have previous experience of* liaising and negotiating with the Ministry of Defence. Substantial involvement in corporate strategy and decision making will demand a high level of business acumen, commercial awareness and *above average communicative ability.*

The candidate capable of matching the demands of this high profile organisation will be offered an attractive remuneration package, including a company car and relocation expenses where applicable.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive *curriculum vitae, quoting* ref. 236, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

ACCOUNTANT
INDEPENDENT SHIPPING COMPANY

Based in London, part of Independent Oil Trading and Shipping Group requires person to head its accounts department.

Qualification preferred but consideration given to relevant experience and exposure to mini/micro computer systems (IBM 36 in use).

Remuneration: Salary negotiable, pension plan, Bupa, after qualifying period.

Please address replies to:

Group Shipping Financial Executive
c/o Box A8962, Financial Times
10 Cannon Street, London EC4P 4BY

Group Financial Controller

London c£25,000 + Car

Our client is an established freight *forwarding group with allied insurance and* travel agency interests. It is the UK division of one of the world's largest transport and forwarding groups.

Continuing growth and associated demands for improved management reporting have led to the creation of this new position.

Reporting to and working closely with the Financial Director, the immediate priority will be to relieve him of his extensive involvement in managing the accounts function. Responsibilities will include management reporting; preparation of the annual budget; further development and rationalisation of *computer systems and ad hoc exercises*, including acquisition studies.

Applicants must be qualified accountants, aged c35/45 with proven commercial experience, preferably in a relevant service industry and have the personal strengths to contribute positively at senior management level – succession to the Financial Directorship is anticipated.

Please write in confidence with full career details and daytime telephone number to David Tod BSc FCA quoting ref: D/74/RF

Lloyd Management

125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Financial Controller

SOUTHAMPTON £15,000 + Car

Our Client, part of a major International Group, is a successful specialist engineering Company whose products incorporate some of the most up to date technology.

The Financial Controller (Director Designate) will be responsible for all accounting matters and will also be involved in broader commercial affairs. Particular emphasis is placed on cash management, the reporting and analysis of monthly accounts, import/export procedures and the preparation of budgets.

Applicants aged 35+ must be qualified accountants, preferably ACCA or ACMA, who are accustomed to working to tight deadlines and are able to contribute to the management of the Company at Board Level. Previous experience of managing a small department within a manufacturing environment is essential.

REWARDS: Benefits include a Company car, pension scheme and private medical cover.

Applicants of either sex apply in confidence. **Ref: 983**

Hales & Hindmarsh Associates Ltd.
Century House, Jewry Street,
Winchester, Hampshire
☎ (0962) 62253
Search and Selection

Accountancy Appointments

Accountancy Appointments

FINANCE DIRECTOR

London — **Circa £20,000 + Executive Benefits Package**

Our client is a dynamic and successful company involved in the design, manufacture and sale of a wide range high fashion, ready to wear clothing.

As a result of continued success and expansion in the UK, Europe and the United States, they wish to appoint a Director of Finance to work closely with the Managing Director and also play a vital role in the running and developing of the business.

Candidates for this appointment will be qualified accountants aged in their late 20s to early 30s who can clearly demonstrate a successful career to date in financial management as well as a high degree of business acumen.

Written applications enclosing curriculum vitae should be sent in the strictest confidence to Robert N. Collier or Neil Gillespie at our London address quoting reference number 5170.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Controller

Berkshire — **c£20,000+bonus+car**

Our client, a large retail division of a successful British plc, has an enviable track record of profit and growth.

They now offer a challenging and broad-based role for a qualified accountant. Reporting to the Financial Director, you will take overall responsibility for the management of a large financial staff.

Aged 28-33, you must have considerable experience of computerised accounting systems in a fast-moving, service environment. Self-motivation and ambition, together with good management and interpersonal skills are the key qualities sought.

Outstanding promotional prospects within the group are supported by the excellent remuneration package, including a substantial performance related bonus.

Candidates should write to Nigel Hopkins FCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref 233, at 31 Southampton Row, London WC1B 5HY.

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Recruitment Consultants

Directorship Potential?

Bring your extensive Consultancy expertise in Finance and Accountancy to Personnel Resources, and substantially increase your earnings and career advancement.

Development of our Consultant, management and support staff has always been a key priority – training programmes provide valuable and tangible benefits in developing skills and are to be extended with the appointment of a Training Manager.

Your skill and ambition effectively applied within our aggressive management development programme will ensure outstanding professionals the following incomes:

Manager/ Director	**£30-£50k**
Senior Consultants	**£20-£25k**
Consultants	**£12-£15k**

The Company is investing heavily in all aspects of accountancy recruitment. Our newly designed advertising developed for the professional press pinpoints our areas of specialisation; our need now is for individuals capable of extending market cover, so enabling additional services and offices outside our London base.

We have the means to retain interest and commitment of Senior Consultants/Management; an excellent salary and incentives policy rewards both individual effort and team success. Company benefits can include: BUPA, PENSION, LIFE ASSURANCE and COMPANY CAR.

To explore your potential within the Group, contact Bob Miles for a confidential discussion. 01-242 6321 (day) or 01-568 0085 (eves).

Personnel Resources
... working for you
75 Gray's Inn Road, London WC1X 8US
01-242 6321

FINANCIAL EXECUTIVES

CITY — **£18,000–£20,000 + CAR**

Our Client is a successful international group which is managed on a decentralised basis with a small headquarters finance department which handles treasury, tax and financial reporting.

Two vacancies have arisen within the department which require skills in a broad range of cash and currency management techniques and an appreciation of financial reporting at a senior level. This department has a proven record as a spring-board for promotion into senior financial line management. The successful candidates will obtain a valuable and comprehensive understanding of the group's varied businesses in readiness for future career progression, possibly overseas.

Applicants, in their early thirties, should be qualified chartered accountants who have already gained some commercial experience. Existing treasury experience would be an advantage but is not essential.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2268 to G.J. Perkins, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Internal consultancy

negotiable c £15,000+car

The Pergamon Group, which includes The British Printing & Communication Corporation and the Mirror Group of newspapers, is seeking several high calibre accountants to strengthen its Internal Consultancy and Audit Department.

The successful candidates will be required to perform operational and financial reviews throughout the Group to ensure that adequate controls are maintained and resources are used efficiently and effectively. In addition, opportunities will arise for involvement in special projects which span the entire range of the Group's commercial activities.

The Group is expanding rapidly through internal growth and acquisitions, and offers excellent opportunities for the successful candidates to progress to senior financial positions at operating company or divisional level.

It is likely that the successful candidates will meet the following requirements:

- a qualified chartered accountant, aged 25–30, with at least two years post qualification experience
- experience of computerised systems
- drive and determination to succeed in a fast evolving organisation
- the ability to work successfully with senior managers of all disciplines.

Salary is negotiable as indicated, but could be substantially more for an outstanding candidate.

Résumés including a daytime telephone number to Alan Pacey, Executive Selection Division, Ref. R860.

Coopers & Lybrand associates
Coopers & Lybrand Associates Limited
management consultants
43 Temple Row
Birmingham B2 5JT

BRITISH TRANSPORT ADVERTISING LIMITED

Due to planned expansion, experienced financial staff are needed to join the Company's Finance Department in Central London.

Here is an opportunity for young qualified or partly qualified Accountants to join a small team of specialist staff and in so doing gain valuable experience in a finance and commercial environment.

We are looking particularly for people who have worked with computer systems having had experience in the development of batch, real-time or micro computers. At the top end we require qualified Accountants with an innovative approach, the ability to motivate people and to communicate effectively.

Salaries will be commensurate with individual skills and experience and will be supplemented by an attractive benefit package including pension fund membership and generous free and reduced rate rail travel.
If you are interested in joining the Company please send full details of career and qualifications to:—

Personnel Manager
British Transport Advertising Ltd
77 Newman Street
London W1A 1DX
Tel: 01-436 7722

Financial Controller

Car Components — **Bristol**

British Moulded Fibre Limited – major suppliers of soft trim components to the U.K. and European motor industry – are seeking a Financial Controller.
Reporting directly to the General Manager, this key figure will head up the total financial and management accounting activities in the company including the development of effective management information systems. As a senior member of the management team the Financial Controller will have a significant input and influence upon policy decision-making and have a key role in the management of the business.
This position calls for a qualified ACMA or ACCA with extensive accounting and management experience gained in manufacturing industry. A mature professional, probably aged 30-40, who can make a major contribution to a highly successful growth company.
An excellent remuneration and benefit package, including car and relocation assistance, will be offered to attract the right person for this appointment.
Please apply in the first instance giving full details of qualifications and experience to:
F. V. Warner,
Personnel Manager,
Marley Foam Limited,
Dickley Lane,
Lenham, Kent ME17 2DE.
Tel: Maidstone (0622) 859491.

B M F — A MARLEY COMPANY

TAXATION ADVISER CENTRAL LONDON

Imperial Chemical Industries PLC

c. £20,000 + CAR + BENEFITS

ICI have a rare vacancy in their taxation department for an Adviser. The position has arisen due to internal promotion.
The chosen candidate will be:

— A qualified Accountant with 3-4 years' post-qualifying experience (in a Top 8 firm)
— Of outstanding ability with a successful career history to date
— An accomplished communicator, able to deal with fellow professionals and company personnel at all levels
— Aged under 30

The position will involve:

— Planning and compliance work for the company's divisions and subsidiaries in the UK, including re-organisation, acquisition and disposal of subsidiaries
— Planning related to overseas subsidiaries
— Acting in an advisory role on particular specialist topics

This interesting appointment will also give the successful applicant the opportunity to travel, and direct access to senior staff of a UK company and worldwide group. While the post is for a taxation specialist, later promotion may well be outside this field. Clearly, a rare opportunity for an ambitious individual.

Interested candidates should write to:

Fran Friedman at
GABRIEL DUFFY CONSULTANCY,
Gabriel Duffy House,
17 St Swithin's Lane, London, EC4N 8AL
or telephone on 01-623 3195 (day)/01-360 7902 (evenings & weekends) quoting ref. D21
All replies will be treated in the strictest confidence

GABRIEL DUFFY (CONSULTANCY)

Antrak Group

FINANCIAL CONTROLLER

C. £16,000 Plus Bonus — **City**

Antrak is a fast growing group of companies in the export services sector.

We are looking for a young Chartered Accountant to join the management team to develop the management and financial reporting systems. The group places emphasis on the application of computers within all its trading companies therefore some familiarity with computer based systems is essential.

The ideal candidate will have some commercial experience and will need to have the ability to take full advantage of the excellent opportunities that the group's development offers.

Please write in confidence, with full c.v. to:–
Mr D.J. Goddard, Personnel Manager, Antrak Group, Millard House, Cutler Street, London E1 7DU.

Finance Controller

Sussex — **£18,000 + car**

To work at the centre of a privately owned group of property development companies in both the commercial and residential field with interests spread across the Southern counties.

As Financial Controller you will report to the Managing Director and be supported by a small staff. In addition to having responsibility for all accounting matters you will also be Secretary to the board.

You must be a qualified accountant or company secretary but your background could be in commerce, industry or in a professional practice. Property experience would be helpful, but is not essential.

Write in confidence to EH Simpson, quoting ref. S392, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Financial Controller

Mayfair — **c.£20,000**

Our clients are a privately controlled Group with substantial investments in the UK, Europe, and America, largely in hotels, apartments, restaurants, and other real estate. They are pursuing a policy of vigorous expansion, and need to strengthen their small management team by recruiting a Financial Controller.

The successful candidate will be responsible to the Board for controlling the accounts department, monitoring financial performance against budget, cash forecasting, systems development, and project appraisal work, supported by a small staff.

Applicants must be qualified, preferably chartered, and aged around 35. Ideally they should have extensive professional and commercial experience gained in the financial services or property sectors, and must be familiar with the operations of private companies with worldwide investments.

Please write in confidence with relevant details, quoting reference A4936 to J. W. Hills, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Accountancy Appointments

Financial Controller

Retailing — c. £18,000
Newcastle upon Tyne — + car

A profitable and rapidly expanding retail food business based near Newcastle upon Tyne is seeking to appoint a financial controller to play a key role in its future development. Turnover, currently approaching £3 million, is likely to treble within the next two years.

Key tasks will be the development and installation of computer-based accounting and management reporting systems and the introduction of effective controls at store level.

The position calls for a qualified accountant (probable age range 28 – 35) with practical experience of financial management in the retail industry. It is likely to appeal to a hardworking, business-oriented accountant with the relaxed personality needed to enjoy a broad role in a lively, informal and entrepreneurially led company.

An attractive remuneration package is offered to the person who can demonstrate the experience, aptitude, and personal qualities required.

Please write in confidence with brief career details, quoting reference L/505 to Mr. C. I. McBride, Executive Selection Division, Peat, Marwick, Mitchell & Co., City Square House, 7 Wellington Street, Leeds LS1 4DW.

PEAT MARWICK

FINANCIAL CONTROLLER

The City — c£16,000+car

Tele-Link Archives Limited provides high-security computer data and document storage facilities. Following two decades of progressive growth, our turnover, in excess of £1m, has increased the possibility of public quotation in the very near future.

For this reason, efficient and effective control of the company's accounting system is critical to our continued prosperity.

The appointed controller will undertake the role of a financial director designate. Reporting to the Chief Executive, he/she will assume overall responsibility for guiding the company through to its expected flotation.

Candidates must be qualified accountants, preferably ACA, with a highly self-motivated and conscientious attitude. Previous experience in a computer-orientated environment is desirable.

The position commands an attractive salary plus car and benefits, as well as excellent career prospects in the public sector.

Applications, enclosing a c.v., should be addressed in confidence to Stephen Crown FCCA, Chairman, Tele-Link Archives Limited, 1A West Smithfield, London EC1.

TELE-LINK ARCHIVES LIMITED

Financial Executive in banking or leasing

Southern Home Counties
Generous salary, car & substantial benefits.

Our client is a well-known international organisation in a high profile specialist sector of a service industry.

Owing to expansion a need has arisen to appoint a group finance executive to be located at the corporate headquarters. Duties will be varied and include the study of possible acquisitions, and the negotiation of major leasing and financial arrangements.

Applicants should ideally be chartered accountants, probably working in a bank or major leasing organisation and should be aged about 30.

This position offers prospects of substantial advancement in a progressive organisation.

Please write to M J B Ping enclosing a detailed CV and quote reference F/205/P, Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

EW Ernst & Whinney

Partnership Accountant

Solicitors — To £18K

Our client is a broadly based well established and expanding firm of WC2 solicitors. The Partnership Secretary wishes to appoint an accountant, who with three support staff, will run the accounts section, further develop existing financial controls and expand the present computer based accounting system.

Candidates are likely to be young, have prior experience of the legal cashier's function in a major firm and have the professional ability and enthusiasm to grow with this practice.

Please send career details to Karen Will (reference 51), Spicer and Pegler Associates, Executive Selection, St Mary Axe, London EC3A 8BJ.

Spicer and Pegler Associates
Management Services

Internal Auditor

Banking — c. £35,000 Tax Free

Our client is a major Middle East bank with an extensive national and international branch network, and is among the world leaders in terms of sophisticated banking technology and management.

Located in one of the more pleasant parts of the Middle East, the successful candidate will report to the General Auditor and he, or she, will be responsible for planning and supervising the work of a substantial and well established internal audit team. Prospects for rapid career development are excellent.

Candidates, aged around 30, must be professionally qualified accountants with at least five year's post qualifying experience involving commercial banking and ideally including auditing branches of overseas banks.

Familiarity with American banking practices and with audit software would be advantageous.

Salary is around £35,000 tax free and the benefits include free furnished accommodation, forty days annual home leave and children's school fees.

Please send brief career details, in confidence, quoting reference AR/1002 to: Andrew Duncan, March Personnel Services, 12 Sheet Street, Windsor, Berks, SL4 1BD.

MARCH
PERSONNEL SERVICES

FINANCIAL DIRECTOR

Chessington, Surrey — c. £25,000 + Car

Our client, a fast growing U.K. plc, recently floated on a major European Stock Exchange, with a range of interests in the design, manufacture and distribution of capital equipment for the media communications sector. The company has a turnover of approximately £4 million and is substantially profitable. Plans are well advanced for a number of acquisitions in allied fields as well as additions to its existing product range.

Key tasks will be to enhance management information systems, further strengthen controls and work closely with the Managing Director in the future development of the Company.

The successful candidate will be a qualified accountant, preferably Chartered, aged 35-45, and will already have gained substantial line management experience in a small or medium sized manufacturing and marketing environment. Ability to work effectively in an entrepreneurial and loosely-structured organisation is of prime importance.

Please write with full c.v. to:—
David Berke, Esq., Ref. A74
BERKE COHEN FINE & PARTNERS
Dorville House, 14 John Princes Street, London W1M 9HB

a Weir Group Company — WEIR

FINANCE DIRECTOR

WOKINGHAM — WEIR WESTGARTH LTD
Salary Negotiable

Weir Westgarth is the major contracting company within The Weir Group and has an opportunity for an experienced qualified accountant to head up the financial function at Wokingham, Berkshire.

The finance director will be responsible to the managing director, will require to be an able negotiator and to draw on sound experience of all financial and contractual aspects of large export contracts. Such knowledge and skills will have been gained from work in the engineering contracting industry or in the manufacturing of exported products. In addition to the financial aspects, the job carries responsibility for a range of duties including those of company secretary and for the personnel administration associated with a medium sized engineering company. Candidates at present earning less than £20,000 are unlikely to have the necessary experience.

The salary is negotiable and will relate to relevant experience and there is a car, pension scheme and other benefits which combine to reward the high level of responsibility carried by this key appointment.

Please write with full career details to:—
A.H. HOWIE, STAFF MANAGER
THE WEIR GROUP PLC
149 Newlands Road, Glasgow G44 4EX.

Accountants

c.£20,000 plus car

A major National and Provincial Newspaper Group is seeking three qualified accountants for their London EC4 head office. Two of these positions arise from impending retirements, the third is a new post.

- FINANCIAL ACCOUNTANT
  To be responsible for the production of the monthly and annual financial accounts and supervise a staff of forty (Ref. 8437)
- MANAGEMENT ACCOUNTANT
  Will be responsible for the preparation of business plans, budgets, monthly forecasts and the preparation of management accounts and information systems. (Ref. 8438)
- PROJECT ACCOUNTANT
  Responsible to the Finance Director for the financial monitoring and controlling of all aspects of a major construction and relocation project spanning the next five years. (Ref. 8439)

The company's computerised accounting systems are being redeveloped and all three Accountants will contribute to system design and implementation.

Well qualified accountants with industrial experience are sought to fill these interesting and challenging posts. The Project Accountant, preferably qualified, should have experience in the construction/contracting industry.

Please write in complete confidence giving career details and quoting reference or telephone Tony Riley on 01-734 7282 for a Central London interview.

Barnett Consulting Group Limited,
Providence House, River Street, Windsor, Berkshire SL4 1QT.

Barnett Consulting Group

Borough Treasurer

£24,576 to £26,115*

The Council invites applications from men and women for this challenging post in a very progressive authority.

Southwark is an inner London Borough with acute problems of multiple deprivation and high unemployment. It is one of the authorities which has been singled out by the Government for ratecapping.

The Borough Treasurer is the Council's chief financial adviser and is responsible for a department of some 330 staff. The authority has an annual turnover of £250m and a loan debt of the order of £550m.

This key position calls for a qualified accountant (ideally CIPFA) with extensive financial and managerial experience at a very high level in local government. We are looking for an officer of the highest professional calibre, who must be able to motivate and contribute to the development of the work of the staff as a whole, and in particular, co-ordinate the department's response to policy issues. The ability to work closely with other Chief Officers and senior Members of the Council is essential.

Benefits include a lump sum car allowance and an overtime scheme.

For an informal discussion, please contact Mr. John Parker, Acting Chief Executive on 01-703 6311, extension 2101.

*Salary inclusive of £1251 London Weighting.

Southwark is an equal opportunity employer. Applications are welcome from candidates regardless of sex or ethnic origin and from registered disabled persons.

Telephone 01-701 2870 (24-hour answering service) any time for an application form, or write, on a postcard, to: The Personnel Officer, London Borough of Southwark, 25 Commercial Way, London SE15 6DG.

Please quote reference FT/2/5374 and job title. Last date for receipt of completed application forms: 3rd May 1985.

Southwark
a London borough

Control a Group

FCA and/or FCIS

Hard-driving, skilful and very profitable, a fast-growing industrial services group is in need of general administrative support (accounting, secretarial and office management) to underpin its £8m. business in West London, a demanding role even for a tough, seasoned, effectual, qualified Comptroller who will have to earn every penny (circa £25,000 plus car) on this ascent to an early seat on the Board. Please ring 01-730 0137 for Specification 876

EXECUTIVE PRESELECTORS
A Division of Executive Search Ltd.
8A Symons Street, London SW3 2TJ

M.I.S. MANAGER

c. £18,000 pa — East Midlands

Our client is the subsidiary of a multi national corporation and is based in the rural East Midlands. They manufacture, market and distribute products for the food and associated industries: they are profitable and well managed and have a turnover in excess of £10m per annum.

They now require a professional accountant, probably an A.C.M.A. and aged 28-35 years, who has practical experience of the development, installation and maintenance of database management systems, such as the H.P. IMAGE system. This position reports to the Director of Finance and Administration and is responsible for the accounting and data processing and reporting functions.

Full relocation assistance is available and the remuneration package is for negotiation, candidates should apply in writing quoting ref. R732 to: Brian Stubbs,

BKI Management Consultants Limited,
No 8 Sheet Street, Windsor, Berkshire SL4 1BW
Tel: Windsor (07535) 54917

BKI
SEARCH AND SELECTION

Financial Accountant

Up to £16,000 + car

Our client is a major national retailer based in West London and has had a consistent growth record over recent years. The company is entering a new exciting phase in its development and requires a young qualified accountant to assist in the areas of financial reporting, planning and systems development.

The ideal candidate will be aged between 26 and 30 with at least 2 years' post qualification experience, preferably in a retail environment. He or she should possess a strong personality combined with an abundance of energy and a desire to succeed through hard work. Complete familiarisation with micro computers is essential.

The position offers considerable scope for gaining a complete range of financial experience together with excellent long term career prospects. The remuneration package will include the benefits normally associated with a large public company.

Please apply in confidence with full c.v. and listing any companies to which you do not wish your application to be sent, to:

Mr. A. Buchanan (FA/FT)

Buchanan & Partners Limited
Halifax House, Chinnor, Oxfordshire OX9 4JW

ACCOUNTANTS MERCHANT BANKING

£16-20,000+AAE

We seek applications from qualified accountants interested in pursuing a career in Merchant Banking. Our client, one of the elite Groups in the City, wishes to appoint three individuals across their financial + operations divisions. The successful candidates will possess a good knowledge of taxation, be familiar with computer based accounting systems and have a lively analytical mind. Strong management + inter-personal skills are a must for these posts. Our client offers a generous staff package inclusive of subsidised mortgage.

For further details call Robert Milne
631 5045
CRAWFORD RECRUITMENT

Accountant required

for permanent position for medium size company. Age not important, salary according to experience.

Please write Box A8976 Financial Times, 10 Cannon Street, London EC4P 4BY

AMBITIOUS ACCOUNTANT

(ACMA)

£15,000 + CAR — RURAL OXFORDSHIRE

We are looking to recruit an ambitious qualified Accountant who will be totally responsible to the Managing Director for all aspects of the company's financial matters.

It is most important that the person appointed is able to contribute fully to the continued growth of the business. The company operates in the expanding giftware market and has in just four years moved to the position of market leader, supplying all major national outlets.

Applicants with a minimum of 2 years relevant experience, within the age range of 25-35 years, should apply detailing experience and current salary to:

Tom Parker, ENARKAY MANAGEMENT CONSULTANTS,
68 Townfield, Rickmansworth, Herts WD3 2DD.

Financial Controller

Circa £25,000 + Car + Bonus

Applications invited from qualified Accountants with experience in working with associated European companies—particularly French and German.

We are a wholly owned (by our Hi-technology parent) small company in the field of measuring instrument systems.

We wish the financial management of the total European operation to be run by a Controller from our Barnet, Herts Headquarters. Knowledge of French or German would be an advantage. Help with cost of change of house will be arranged.

Reply with c.v. to: NANOMETRICS EUROPE LTD
Holland House, Queens Road, Barnet, Herts EN5 4DJ

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday April 18 1985

Brazil picks wrong time for cotton boom, Page 48

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WALL STREET

Nervousness ahead of GNP figures

NERVOUSNESS ahead of today's Commerce Department's disclosure of revised first-quarter GNP figures brought falls in bond prices yesterday, *writes Terry Byland in New York.*

Short-term rates also edged higher, and an early advance in the stock market was checked at mid-session.

At 3pm the Dow Jones industrial average was up 1.54 at 1271.09.

The nervous mood of the credit markets was heightened by a report, attributed to a Commerce Department official, that the GNP figures would show an upward revision. This was later corrected to attribute the comment to an economist at the U.S. Chamber of Commerce.

Speculation over Fed policies was heightened by the Reserve Bank's offer on Tuesday afternoon to buy Treasury bills on its own account, plus $300m for a customer. While analysts are still divided on the likely trend of credit policies, those predicting easier credit were encouraged by the fall yesterday of Fed funds to 8 per cent, and of three-month Treasury-bills to 7.83 per cent. The T-bill rate, down by 11 basis points yesterday, is now at its lowest point since early January.

The markets made no response to yesterday's batch of economic news. U.S. personal spending rose slightly in March, and industry's operating rate was unchanged.

The stock market gathered confidence during the morning. Chemical stocks, which have lagged the market this week, attracted buyers. Du Pont added $½ to $56⅝, and Monsanto $1 to $45.

The financial sector remained firm. Manufacturers Hanover, the last of the big banks to report first-quarter progress, gained $½ to $38¼ on the figures. American Express showed no change at $41½.

Among industrials, the corporate reporting list was headed by AT&T, which eased $⅛ to $20⅞ after results. Other technology issues looked sluggish. IBM was unchanged at $129¾, and Honeywell eased $⅛ to $58½. But Digital Equipment gained $1⅛ to $109½ and Burroughs at $61 added $⅝.

Other major reporters included Chesebrough-Pond's, $¼ up at $32½, Crown Zellerbach, $⅝ lower at $43¼, both after trading news.

In a nervous savings and loan sector faced with a $100m loss at a Californian thrift group, Great Western Financial, which is the largest of the quoted groups plunged $1¾ to $26 despite higher profits.

Takeover situations, real and fancied, again provided many features. Bergen Brunswig fell $⅝ to $26½ on termination of the merger talks with National Intergroup, themselves $2⅜ down at $24¼.

Another heavy trading session left Unocal $1⅛ down at $46⅞ as the board launched its defensive moves against Mr T. Boone Pickens, both by beginning its offered swap of equity to debt and also disclosing the terms of its blocking plan.

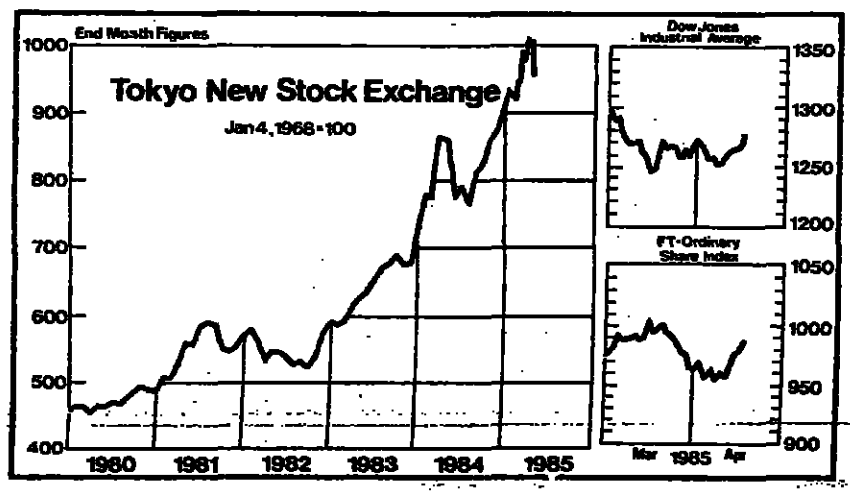
A sudden reversal of confidence in a bid from Mr Ted Turner sent CBS stock plunging $6⅝ to $109½. Uniroyal, determined to ward off Mr Carl Icahn, shed $½ to $20⅜.

But takeover speculation in the media sector quickly turned towards RCA, which added $⅝ to $42¼ in brisk turnover. Other active issues included Phillips Petroleum, $½ better at $40⅜, and The Limited, a store chain, which fell $1⅛ to $37 in a sudden spate of nervous selling.

By mid-session, Treasury bills rates were losing their early losses. Three-month rates remained 7 basis points off at 7.87 per cent but the rates on longer maturities were turning upwards in the wake of the bond market.

The bond market turned abruptly lower after the reported comments on the Commerce Department's GNP estimates. The price of key long bond, barely changed in early trading, later showed a fall of 20/32 at 99 5/32.

KEY MARKET MONITORS



STOCK MARKET INDICES

	April 17	Previous	Year ago
NEW YORK			
DJ Industrials	1,271.09*	1,269.55	1,168.13
DJ Transport	593.45*	598.21	502.98
DJ Utilities	155.21*	155.78	126.64
S&P Composite	181.44*	181.19	158.97
LONDON			
FT Ord	988.8	979.5	888.6
FT-SE 100	1,304.0	1,290.8	1,110.2
FT-A All-share	626.56	620.64	526.47
FT-A 500	689.58	682.28	572.22
FT Gold mines	521.2	535.5	679.3
FT-A Long gilt	10.51	10.46	10.28
TOKYO			
Nikkei-Dow	12,302.06	12,207.28	10,906.4
Tokyo SE	953.90	954.20	854.97
AUSTRALIA			
All Ord.	853.4	858.5	763.1
Metals & Mins.	556.7	562.9	542.1
AUSTRIA			
Credit Aktien	75.35	74.97	54.92
BELGIUM			
Belgian SE	2,224.51	2,233.97	–
CANADA			
Toronto			
Metals & Minls	2,068.6*	2,062.1	2,211.0
Composite	2,648.40*	2,636.11	2,333.90
Montreal			
Portfolio	130.50*	130.08	113.51
DENMARK			
Copenhagen SE	n/a	189.22	192.11
FRANCE			
CAC Gen	214.3	214.8	171.1
Ind. Tendance	117.7	117.3	89.7
WEST GERMANY			
FAZ-Aktien	421.28	419.84	352.64
Commerzbank	1,220.7	1,214.3	1,031.9
HONG KONG			
Hang Seng	1,505.97	1,521.30	1,068.12
ITALY			
Banca Comm.	270.51	272.46	214.33
NETHERLANDS			
ANP-CBS Gen	206.6	206.9	160.5
ANP-CBS Ind	166.1	166.1	128.5
NORWAY			
Oslo SE	310.33	306.93	281.4
SINGAPORE			
Straits Times	793.47	794.30	993.82
SOUTH AFRICA			
Golds	1,113.8	1,120.4	1,023.9
Industrials	965.9	884.1	1,053.9
SPAIN			
Madrid SE	110.86	109.43	82.29
SWEDEN			
J & P	1,428.03	1,419.43	1,517.49
SWITZERLAND			
Swiss Bank Ind	419.2	418.3	373.3
WORLD	Apr 16	Prev	Year ago
Capital Int'l	204.0	204.6	188.1

GOLD (per ounce)

	Apr 17	Prev
London	$328.25	$326.25
Zürich	$327.05	$329.00
Paris (fixing)	$329.23	$331.44
Luxembourg	$328.75	$332.25
New York (June)	$329.80*	$330.80

* *Latest available figure*

CURRENCIES

(London)	U.S. DOLLAR Apr 17	U.S. DOLLAR Previous	STERLING Apr 17	STERLING Previous
$	–	–	1.2785	1.275
DM	3.0265	3.03	3.87	3.8575
Yen	249.35	249.5	319.0	318.0
FFr	9.23	9.2475	11.795	11.7825
SwFr	2.525	2.5295	3.23	3.215
Guilder	3.4215	3.4295	4.375	4.365
Lira	1,930.0	1,936.5	2,475.0	2,467.0
BFr	60.9	61.05	77.95	77.8
C$	1.35675	1.359	1.731	1.7325

INTEREST RATES

	Apr 17	Prev
Euro-currencies (3-month offered rate)		
£	12⅛	12⅛
SwFr	5⅜	5 5/16
DM	5⅞	5⅞
FFr	10⅜	10⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	8 11/16	8¾
6-month U.S.$	8 15/16	9
U.S. Fed Funds	8 1/16*	8¼
U.S. 3-month CDs	8.30*	8.35
U.S. 3-month T-bills	7.83*	7.95

U.S BONDS

Treasury	Apr 17* Price	Apr 17* Yield	Prev Price	Prev Yield
10⅜ 1987	101 14/32	9.91	101 15/32	9.83
11⅜ 1992	102 21/32	11.187	102 31/32	11.31
11¼ 1995	99 21/32	11.303	100 6/32	11.21
11¼ 2015	99 5/32	11.356	99 21/32	11.28
Corporate	Apr 17*		Prev	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	96⅝	11.30	96⅝	11.30
3⅞ July 1990	75	10.18	75	10.18
8¾ May 2000	77⅞	11.95	77⅞	11.95
Xerox				
10⅞ March 1993	94⅞	11.65	94⅞	11.65
Diamond Shamrock				
10¾ May 1993	93¾	11.85	93¾	11.85
Federated Dept Stores				
10⅞ May 2013	88.253	12.10	88.253	12.10
Abbot Lab				
11.80 Feb 2013	97.186	12.15	97.186	12.15
Alcoa				
12¼ Dec 2012	96.911	12.65	96.911	12.65

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	71–17	71–24	71–12	71–22
U.S. Treasury Bills (IMM) $1m points of 100%				
June	92.04	92.09	91.95	92.06
Certificates of Deposit (IMM) $1m points of 100%				
June	91.42	91.47	91.37	91.46
LONDON				
Three-month Eurodollar $1m points of 100%				
June	91.03	91.11	91.00	90.92
20-year Notional Gilt £50,000 32nds of 100%				
June	107–06	107–22	107–05	107–16

COMMODITIES

(London)	Apr 17	Prev
Silver (spot fixing)	502.20p	517.15p
Copper (cash)	£1,216.50	£1,199.00
Coffee (May)	£2,052.00	£2,051.50
Oil (spot Arabian light)	$27.65	$27.65

LONDON

Lower rate hopes hold interest

HOPES of lower bank base rates continued to underpin London equities yesterday leaving the FT Ordinary index higher for the fourth consecutive day with a gain of 9.3 to 988.8.

Investors concentrated their buying power on blue chips and international issues were favoured such as ICI up 19p at 782p and British Telecom 3½p higher at 140p. Financials were not ignored with NatWest 23p up at 595p and the nil-paid Barclays shares, the result of the recent rights issue, gaining 18p to 198p.

The stores sector, subject to much recent bid and takeover activity, was active again with Debenhams picking up 14p to a new peak of 261p, Kwik Save adding 14p to 204p and Austin Reed 8p higher at 124p.

Gilts opened firm and short-dated issues maintained this trend throughout. Longs suffered a bout of indigestion after the rises since Easter and ended the day about ¼ lower.

Chief price changes, Pages 42; Details, Page 43; Share information service, Pages 44-45.

AUSTRALIA

RESOURCE issues led a decline in Sydney that took the All-Ordinaires index 5.5 lower to 853.8.

BHP, 14 cents down at A$6.34, grabbed investor attention as a large block of its April options was traded and a flaw was discovered in its joint bid document with Shell Australia for Woodside Petroleum. Woodside dipped 1 cent to A$1.59.

MIM Holdings eased 10 cents to A$3.20 on suspicion of a rights issue soon while Renison gained 16 cents to A$5.40, after A$5.70, following good gold assay reports from Papua New Guinea.

SINGAPORE

SHORT-COVERING and light selling pressure emerged in Singapore to leave prices mixed to lower and the Straits Times index, up 2.20 at midday, finished 0.83 down at 793.66.

Banks mirrored the overall mood with DBS and OCBC each 5 cents cheaper at S$6.10 and S$8.95 respectively while Malayan Banking picked up 5 cents to S$5.80. Plantations firmed with Consolidated 4 cents stronger at S$2.92 and KL Kepong 2 cents firmer at S$2.56.

SOUTH AFRICA

THE RETREAT by the bullion price forced an easier tone in moderate Johannesburg trading.

Among leading gold issues, Free State Geduld fell R1 to R57.50 and Driefontein dipped 75 cents to R54.50 although Buffels moved against the trend with a 25-cent rise to R88, thus recovering some of the ground lost on Tuesday.

The weakness in golds spread to other miners with a 25-cent drop to R17.50 for Rustenburg Platinum and a 10-cent fall to R10.35 for diamond share De Beers.

HONG KONG

INSTITUTIONAL selling triggered a spate of profit-taking in Hong Kong as the Hang Seng index fell 15.33 to 1,505.97 during the regular half-day session.

Sentiment remained bullish, however, on the prospects of lower domestic interest rates and a favourable outcome of the Government's sale of a central city property development site.

CANADA

LARGE LOSSES by gold shares failed to halt a small upturn in Toronto.

Among golds, Lac fell C$⅝ to C$34½, Dome Mines eased C$¼ to C$13 and Pegasus dropped C$⅝ to C$12⅜. Other active traded issues included Moore Corp steady at C$23⅛, Dome Petroleum 5 cents ahead at C$3.55 and Hiram Walker Resources C$¼ up at C$30.

Banks displayed the greatest strength in Montreal while industrials managed steady progress.

EUROPE

Stable dollar adds weight to results

THE DOLLAR'S relative stability in Europe yesterday combined with more positive corporate results to leave bourses mixed to firmer.

Trading in **Frankfurt** roughly paralleled the dollar's move and demand from foreign investors for blue chips was the driving force behind the day's gains. The Commerzbank index advanced 6.4 to 1,220.7.

One of the most popular issues, Siemens, the leading electrical group, added DM 5 to DM 545.50. AEG rose DM 3.20 to DM 113.10 and Brown-Boveri was DM 1 ahead at DM 213.

In steels, Thyssen was up DM 1.10 at DM 101.50 and Klöckner-Werke advanced 80 pfg to DM 73.20. Krupp Stahl put on 20 pfg to DM 106.00 after reporting a rise in first-quarter sales.

Utility, chemical and retailing issues all gained, while banks, which had been supported by the falling dollar, fell to profit-taking and ended easier.

The rising trend in bond prices halted as sentiment was dampened by the dollar. Gains of 10 basis points and losses of 15 points were seen. The Bundesbank sold DM 34.5m of paper after selling DM 51.2m the previous day.

Paris regained some lost ground after Tuesday's sharp decline, and prices inched higher.

Engineering and electronics issues were strongest. Thomson-CSF rose Fr 19 to FFr 588 after news that the company's earnings improved in 1984.

Zurich was spurred by healthy results and tended broadly higher across the board. Oerlikon-Bührle was SwFr 10 ahead at SwFr 1,460 after bouncing back into the black in 1984.

In a strong insurance sector, Zurich Versicherung gained SwFr 300 to SwFr 22,600 and Swiss Re, which discounted rumours that it is interested in repurchasing Commercial Union, remained unchanged at SwFr 10,450.

Banks edged higher after the announcement on Tuesday that four large banks would lower their customer time deposit rate by ¼ point.

Bonds continued to gain, putting on about 50 basis points.

Local issues ended steady to mixed in **Brussels**. Wagon Lits added BFr 70 to BFr 2,920 and announced a one-for-five rights issue.

GB-Inno-BM, the retailer, gained BFr 20 to BFr 3,225 despite lower net profits for the previous year.

Quiet trading in **Amsterdam** left shares mixed to lower. Insurer, Nat-Ned lost Fl 2.10 to Fl 68.80 before announcing a 10 per cent jump in profits for last year. Aegon forecast improved earnings for the year but slipped Fl 3 to Fl 179.

Bond prices edged higher after the announcement of a new 7.75 per cent state loan tender with a 15-year life.

Stockholm reversed a three-day slide to end higher in moderate trading. The non-socialist opposition parties said they would cut taxes on stock dividends in a bid to boost private share savings if they win the September elections.

Madrid was also firmer on a broad front after lively trading, with gains posted by construction and communication issues.

Blue chip industrials led the market lower in **Milan** as investors sold before the monthly settlement of accounts.

TOKYO

Strong move to regain lost ground

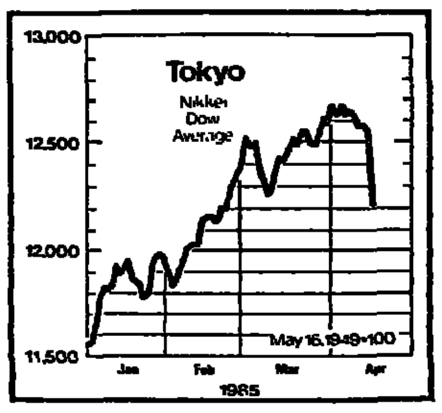
SELECTIVE buying of oil and gas issues carried prices higher in Tokyo yesterday, with the Nikkei-Dow market average regaining nearly one-third of the ground lost the previous day, *writes Shigeo Nishiwaki of Jiji Press.*

The index improved 94.78 to 12,302.06 after suffering a record drop on Tuesday. Turnover swelled from 391m to 441m shares. Declines led advances 406 to 367, with 143 issues unchanged, indicating lingering concern over the market outlook.

The Nikkei-Dow opened some 40 points weaker, but rebounded steadily, led by active buying of oil, gas and non-ferrous metals that should benefit from the yen's rally against the U.S. dollar.

Kawasaki Kisen, a main loser the previous day, firmed Y10 to Y210, remaining the most active stock with 24.28m shares. Yamashita-Shinnihon Steamship also rebounded Y5 to Y150.

Nissan Chemical, second busiest with 24.16m, soared a maximum Y80 to Y442 on talk of its business tie-up with Dow Chemical. Third active with 18.6m traded was Mitsubishi Steel, which strengthened Y45 to Y720 on expectations of a link-up with Philips of the Netherlands.



Tokyo Gas, fourth busiest with 15.01m, gained Y13 to Y190. Teikoku Oil posted a maximum allowable daily gain of Y80 to Y785, on the fifth biggest volume of 14.31m shares. Showa Shell put on Y68 to Y556 and Maruzen Oil Y19 to Y291.

Sanraku-Ocean moved up a maximum Y101 to Y1,010 on investor interest in its tie-up with Ajinomoto, which is to pave the way for an advance into pharmaceuticals.

On the other hand, previously favoured biotechnology-related stocks slumped on a wide front. Green Cross shed Y120 to Y3,050, Yamanouchi Y40 to Y3,660 and Toyojozo Y70 to Y1,660. By contrast, Mochida surged a maximum Y500 to Y8,150 and Meito Sangyo a maximum Y250 to Y2,280.

Blue chips also eased following an overnight decline in American Depositary Receipts on Wall Street. Hitachi dropped Y9 to Y790, Sony Y70 to Y4,180, Honda Motor Y40 to Y1,260 and Fuji Photo Film Y40 to Y1,660.

Bonds moved little in the absence of fresh incentives. The yield on the barometer 7.3 per cent government bond due in December 1993 rose slightly from 6.630 per cent to 6.635 per cent.

Prices at 3pm, April 17

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	18⅛	AAR	.48	2.6	14	90	18⅞	18¾	18¾	+½
19¾	9⅜	AGS			9	36	12⅝	12⅜	12⅜	
18⅛	10	AMCA				20	11	11	11	+¼
21	13½	AMF	.50	2.5	44	860	20⅜	19¾	19⅞	−½
43¼	24¼	AMR			13	8353	43	42⅛	42⅝	
20¾	18⅝	AMR pf2.18		11.		10	20¾	20½	20½	−¼
25⅞	22⅞	ANR pf2.67		11		62	24¾	24¼	24¾	+⅛
14¼	8½	APL			40	24	9⅜	9¼	9¼	−⅛
67¼	44⅜	ASA	2	3.8		1151	53⅝	53	53	−⅜
27	16	AVX	.32	1.9	10	97	16⅞	16⅝	16⅝	−¼
54	36¾	AbtLab	1.40	2.7	15	1221	51⅝	51⅛	51¼	
25⅞	16¾	AccoWd	.44	2.0	17	147	22¼	22	22	−¼
22	12½	AcmeC	.40	2.9		555	14⅜	13⅞	13⅞	
10½	8¼	AcmeE	.32b	3.7	11	12	8⅞	8⅝	8¾	
17⅝	15	AdaEx	2.11e	13		219	16¾	16½	16½	
20	11⅞	AdmMl	.32	1.8	7	70	18½	17½	17½	−1¼
19½	8⅝	AdvSys	.53t	5.1	17	32	10⅜	10	10⅜	+⅜
41⅛	25¼	AMD			13	2059	31⅜	30¾	31¼	+⅜
12¾	6⅞	Advest	.12	1.4		181	9⅛	8⅞	8⅞	−⅜
14⅝	8¾	Aeroflex			12	30	12⅝	12¼	12¼	−⅛
42⅝	27¼	AetnLf	2.64	6.6	39	518	40¼	40	40¼	
58¾	52⅝	AetL pf5.83e		11.		377	55½	55¼	55½	+¼
35	15¾	Ahmns	1.20	3.6	19	1411	34½	33	33¼	−1
4⅛	2½	Aileen			21	62	2¾	2¾	2¾	
51	38⅜	AirPrd	1.20	2.5	11	350	48¾	48⅜	48½	−¼
24⅜	13	AirbFrt	.60	3.1	10	196	19¼	18¾	19¼	+¼
2	1	AlMoa s			25	144	1¾	1⅝	1¾	
7½	6	AlaP dpf.87		12.		13	7½	7½	7½	+⅛
73½	61½	AlaP pf 9		12.		z100	73	73	73	+½
[illegible]										

Continued on Page 41

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 17

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 42

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 40

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Apr. 17	Price Schs	+ or —
Creditanstalt	290	+5
Goesse	427	...
Interunfall	680	...
Laenderbank	273	...
Perlmooser	401	−14
Steyr-Daimler	162	...
Veitscher Mag	395	...

BELGIUM/LUXEMBOURG

Apr. 17	Price Frs.	+ or —
B.B.L.	1,900	...
Banq. Int. A. Lux	6,150	...
Bekaert B.	5,900	−30
Ciment CBR	2,445	−40
Cockerill	226	+5
Delhaize	7,700	−10
EBES	3,090	−45
Electrobel	8,450	−50
Fabrique Nat	1,995	−5
GB Inno BM	3,225	+20
GBL (Brux)	1,945	+5
Gevaert	3,850	−50
Hoboken	6,600	...
Intercom	2,190	−40
Kredietbank	8,100	−90
Pan Hldgs.	11,000	...
Petrofina	6,850	...
Royale Belge	12,000	...
Soc. Gen. Banq.	3,300	...
Soc. Gen. Belge	1,990	−30
Sofina	7,220	−130
Solvay	4,110	−30
Stanwick Intl.	1,580	−10
Tractionel	3,905	−95
UCB	6,100	−100
Wagon Lits	2,920	+70

DENMARK

Apr. 17	Price Knr %	+ or —
Andelsbanken	298	−4
Baltic Skand	575	−10
CopHandelsbank	313	+4
D. Sukkerfab	570	...
Danske Bank	302	+4
De Danske Luft	1,215	...
East Asiatic	221	−5
Forenede Brygg.	1,000	...
Forenede Damp.	131	−3
GNT Hldg	435	−8
I.S.S.B.	495	+10
Jyske Bank	635	+5
Novo Ind	1,430	−45
Privatbanken	282	+4
Provinsbanken	347	+13
Smidth (F)	240	...
Sophus Berend	1,055	−5
Superfos	460	−3

FRANCE

Apr. 17	Price Frs.	+ or —
Emprunt 4½% 1973	1745	−13
Emprunt 7% 1973	8315	−107
Accor	267	−3
Air Liquid	620	−5
BIC	524	...
Bongrain	1,900	−2
Bouygues	650	+4
BSN Gervais	2,495	+15
CIT-Alcatel	1,360	−10
Carrefour	2,180	+25
Club Mediter'n	1,144	−14
Cie Bancaire	645	...
Cofimeg	290	−3
Damart	2,165	−45
Darty	1,292	−12
Dumez S.A.	624	−1
Eaux (Cie Gen)	630	+12
Elf-Aquitane	240	+1
Essilor	3,020	−20
Gen. Occidentale	690	−7
Imetal	110	+1.5
Lafarge Coppee	502	+7
L'Oreal	2,490	+15
Legrand	2,175	+15
Maisons Phenix	225	−0.2
Matra S.A.	1,811	+60
Michelin B.	944	+5
Midi (Cie)	2,170	−5
Moet-Hennessy	1,899	+19
Moulinex	115.5	+5.5
Nord Est	89.8	−0.4
Pernod Ricard	704	...
Perrier	491	+2.9
Petroles Fra.	257.1	+0.1
Peugeot S.A.	334	−6.6
Printempt Aus	232	−3
Radiotech	295	−2
Redoute	1,343	−2
Roussel-Uclaf	1,745	+30
Sefimeg	350	...
Skis Rossignol	1,880	−30
Telemech Elect.	2,565	−15
Thomson CSF	588	+19
Valeo	235.5	+0.6

GERMANY

Apr. 17	Price Dm.	+ or —
AEG-Telef	113.1	+3.2
Allianz Vers	1112xr	−6
BASF	205.1	+2.5
Bayer	213.8	+2.5
Bayer-Hypo	352	−2
Bayer-Verein	344	...
BHF-Bank	283	−2
BMW	374	−1.5
Brown Boveri	213	−1
Commerzbank	172.7	+0.4
Cont'l. Gummi	137.8	−0.2
Daimler-Benz	661	−0.5
Degussa	362.5	+0.7
D'sche Babcock	166	...
Deutsche Bank	473	−0.7
Dresdner Bank	206xr	−2.7
GHH	155.2	−0.3
Hochtief	475	1
Hoechst	214.8	−0.7
Hoesch Werke	112.7	−2.2
Holzmann (P)	412	−2.5
Horten	170	...
Hussel	289	+2
Karstadt	214	+1
Kaufhof	228	...
KHD	255.5xr	+4.5
Kloeckner	73.2	−0.8
Linde	426	+8
Lufthansa	191	−2
MAN	151	...
Mannesmann	165.2	+2.2
Mercedes Hld.	577	+1
Metallgesel	266	+1
Munech Rueck	1249	1
Nixdorf	561	+2.5
Porsche	1154xc	−11
Preussag	275	−0.5
Rhein West Elect	159.9	+1
Rosenthal	241	...
Schering	472	−1.5
Siemens	545.5xd	+5.5
Thyssen	101.5	+1.1
Varta	184	+1
Veba	184.3	2
V.E.W.	128.2	+0.1
Verein-West	320	...
Volkswagen	203.6	+0.1

ITALY

Apr. 17	Price Lira	+ or —
Banco Com'le.	16,700	−200
Bastogi IRBS	187	−1.7
B.I-invest	3,399	−21
Centrale	2,980	−157
Credito Varesino	3,850	−51
Fiat	2,901	−59
Finsider	58	+1
Generali Assicur.	42,000	−420
Italcementi	83,990	+140
La Rinascenti	655	−4.5
Montedisin	1,489	35
Olivetti	6,160	−55
Pirelli Co	4,180	−70
Perelli Spa	2,160	−30
Snia BPD	2,742	−53
Toro Assic.	13,910	...
do Pref	9,930	21

NETHERLANDS

Apr. 17	Price Fls	+ or —
ACF Holding	199.5	0.5
AEGON	179	3
Ahold	227.7	1.8
AKZO	113.6	−0.1
ABN	416	...
AMEV	221	+1.4
AMRO	76	−0.6
Bredero Cert	159	−0.5
Bos Kalis Westm.	16.6	−0.4
Buehrmonn Tet.	92	−1
Calland Hldgs.	34.2	...
Dordtsche Pet'm	182.5	−1
Elsevier NDU	119	+1.2
Fokker	105.2	+0.4
Gist Broades	186.3	0.4
Heineken	154.8	−0.7
Hoogovens	60.6	−0.2
Int Mueller	52.6	+0.6
KLM	60.5	−0.8
Naarden	49	+0.5
Nat Ned Gelt	68.8	−2.1
Ned M'd Bank	172.5	−1
Nedlloyd	178.2	−0.6
Oce Grinten	314	−5.5
Ommeren (Van)	30.5	−0.1
Pakhoed	67.5	−0.7
Philips	57.1	−0.3
Robeco	71.8	−0.2
Rodamco	127	−0.5
Rolinco	66.8	...
Rorento	44.1	...
Royal Dutch	202.6	−1.4
Unilever	347.8	−1.2
VMF Stork	157	−0.7
VNU	212.2	−0.7
West Utr Bank	104.3	−0.1

NORWAY

Apr. 17	Price Kroner	+ or —
Bergens Bank	140.5	−1.5
Borregaard	356	+1
Christiania Bank	141	−0.5
DenNorske Cred	151	+1
Elkem	139.5	−1
Kvaerner	169	−4
Norsk Data	399	+1.5
Norsk Hydro	110.5	−2
Storebrand	240.5	+2.5

SPAIN

Apr. 17	Price Pta %	+ or —
Bco Bilbao	338	−3
Bco Central	317	−2
Bco Exterior	202	+2
Bco Hispano	163	...
Bco Popular	371	+6
Bco Santander	345	+1
Dragados	174.5	+8
Hidrola	64.7	+3.2
Iberduero	96.2	+2
Petroleos	149.5	−0.5
Telefonica	127	+2

SWEDEN

Apr. 17	Price Kronor	+ or —
AGA	392	−2
Alfa Laval	195	...
ASEA (Free)	320	+5
Astra (Free)	405	...
Atlas Copco	119	+3
Cardo (Free)	255	...
Cellulosa	120	+1
Electrolux B	321	+3
Ericsson	284	+1
Esselte	342	+2
Mo och Domsjo	236	...
Pharmacia	202	...
Saab Scania Free	446	...
Sandvik	390	−10
Skandia	332	...
Skan Enskr'da	50.5	+0.5
SKF	217	+19
St Kopparbergs	137	−2
Sven Handlesbn.	164	+1
Swelvosh Match	226	+6
Volvo B (Free)	275	+3

SWITZERLAND

Apr. 17	Price Frs.	+ or —
Alusuisse	825	−5
Bank Leu	3,550	−10
Brown Boveri	1,610	−25
Ciba Geigy	2,865	+20
do. (Part Certs)	2,320	+20
Credit Suisse	2,435	+5
Elektrowatt	2,890	+5
Fisher (Geo.)	710	...
Hoff Roche PtCts	86,750	−125
Hoff Roche 1/10	8,650	−25
Jacobs Suchard	6,290	−10
Jelmoli	1,950	+20
Landis & Gyr	1,665	+5
Nestle	6,400	+20
Oer-Buehrle	1,460	+10
Pirelli	294	...
Sandoz (Br)	7,850	−25
Sandoz (PtCts)	1,320	+15
Schindler (PtCts)	780	+10
Sika	1,110	+10
Surveillance	4,330	...
Swissair	1,070	+2
Swiss Bank	358	+1
Swiss Reinsee	10,450	...
Swiss Volksbk	1,430	+5
Union Bank	3,750	+30
Winterthur	3,925	+25
Zurich Ins.	22,600	+300

AUSTRALIA

Apr. 17	Price Aust $	+ or —
ANZ Group	4.60	...
Alliance Oil Dev.	1.07	...
Ampol Pet	1.87	+0.02
Ashton	0.94	...
Aust. Cons. Ind	2.12	−0.02
Aust. Guarantee	2.45	+0.05
Aust. Nat. Inds	2.8	...
Aust. Paper	2.6	...
Bell Group	6.8	−0.04
Bell Res.	7.0	−0.1
Bond Corp Hldgs	1.46	...
Boral	3.15	−0.05
Bougainville	2.4	−0.1
Brambles Inds	3.8	+0.05
Bridge Oil	2.58	+0.03
B.H. Prop	6.34	−0.14
CRA	6.32	−0.08
CSR	3.04	−0.01
Castlemaine Tys.	4.75	+0.05
Coles (G.J.)	3.8	...
Comalco "A"	2.7	−0.05
Consolidated Pet	0.45	+0.02
Costain Aust.	1.75	...
Dunlop Olympic	2.18	−0.01
Elders IXL	3.15	+0.01
Energ Res.	1.43	−0.02

AUSTRALIA (continued)

Apr. 17	Price Aust. $	+ or —
Gen. Prop. Trust	2.13	−0.02
Hardie (James)	3.08	−0.02
Hartogen Energy	2.85	+0.05
Herald W'y Times	4.35	...
ICI Aust.	1.95	+0.05
Jimberlana F.P.	0.34	+0.02
Kia Ora Gold	0.18	−0.01
Lend Lease	6.36	+0.06
MIM	3.2	−0.1
Mayne Nickless	3.17	−0.03
Myer Emporium	1.82	...
Nat. Aust. Bank	3.49	+0.01
News	7.26xc	−0.04
Nicholas Kiwi	1.95	...
North Bkn Hill	2.7	−0.02
Oakbridge	1.02	+0.09
Pancont'l	1.65	−0.07
Pioneer Conc.	1.85	−0.02
Poseidon	4.65	−0.1
Queensland Coal	1.57	−0.01
Reckitt & Coln.	3.4	...
Repco	1.18	+0.01
Santos	6.3	−0.1
Smith (Howard)	4.5	...
Thos. Natwide	1.86	−0.06
Tooth	5.8	...
Vamgas	4.25	...
Western Mining	4.22	−0.03
Westpac Bank	3.49	...
Woodside Petrol	1.59	−0.01
Woolworths	3.1	−0.02
Wormald Intl.	3.58	...

HONG KONG

Apr. 17	Price H.K.$	+ or —
Bank East Asia	23.4	−0.1
Cheung Kong	15.8	−0.4
China Light	15.1	−0.2
Evergo	1.0	−0.15
Hang Seng Bank	44.5	−0.5
HK Electric	7.9	−0.15
HK Kowloon Wh.	6.15	−0.05
HK Land	5.65	+0.05
HK Shanghai BK.	9.3	−0.05
HK Telephone	73	...
Hutchinson Wpa	23.5	−0.4
Jardine Math.	11.2	−0.4
New World Dev.	6.6	−0.1
Orient O'seas	2.22	−0.05
Oseas Trust Bk.	3.16	−0.1
SHK Props.	10.5	−0.1
Shell Elect.	1.6	...
Swire Pac A	24.1	−0.4
TV-B	6.1	...
Wheel'k Mard A.	7.3	...
Wheel'k M'time	1.10	...
World Int. Hldns.	2.10	−0.05

JAPAN

Apr. 17	Price Yen	+ or —
Ajisomoto	1,100	...
Alps Electric	1,790	+20
Amada	998	−22
Asahi Chem	860	−5
Asahi Glass	663	−7
Bridgestone	509	−9
Canon	1,180	−20
Casio Comp.	1,600	−30
Chugai Pharm.	1,070	−30
Citizen	515	−3
Daiei	631	−5
Dai Nippon Ptg	1,000	+20
Daiwa House	532	...
Ebara	482	−27
Eisai	1,490	−100
Fanuc	8650xr	+50
Fuji Bank	1,480	−20
Fuji Film	1,660	−40
Fujisawa	1,020	−30
Fujitsu	1,080	+20
Green Cross	3,050	−120
Hasegawa	379	...
Heiwa Real Est.	811	+5
Hitachi	790	−9
Hitachi Credit	1,060	...
Honda	1,260	−40
House Food	700	−5
Hoya	2,070	−30
Itoh (C)	359	+9
Ito. Yokado	2,640	−90
Iwatsu	970	+9
JACCS	320	...
JAL	5,790	+60
Jusco	700	−35
Kajima	300	+15
Kao Soap	760	−1
Kashiyama	618	−14
Kirin	592	...
Kokuyo	890	...
Komatsu	441	+2
Konishiroku	630	−10
Kubota	337	−2
Kumagai	575	+15
Kyoto Ceramic	5,200	+10
Maeda Const	534	+34
Makino Milling	1,160	...
Makita	920	−60
Marubeni	308	+1
Marudai	563	−7
Marui	1,090	−10
MEI	1,400	...
M'ta Elec Works	705	−6
M'bishi Bank	1,470	−50
M'bishi	517	−3
M'bishi Elect	395	...
M'bshi Estate	604	−1

JAPAN (continued)

Apr. 17	Price Yen	+ or —
MHI	255	−2
Mitsui	330	...
Mitsui Estate	645xc	...
Mitsukoshi	475	−3
NGK Insulators	900xc	−23
Nihon Cement	275	+27
Nippon Denso	1,300	−20
Nippon Elect	1,040	...
Nippon Express	363	+12
Nippon Gakki	1,780	−20
Nippon Kokan	134	...
Nippon Oil	884xc	+29
Nippon Seiko	633	+28
Nippon Shimpan	561	−14
Nippon Steel	148	−1
Nippon Suisan	340	−4
NTV	10000xc	...
Nippon Yusen	234xc	−4
Nissan Motor	654	−1
Nisshin Flour	500	+9
Nisshin Steel	160	−2
Nomura	1,020	−40
Olympus	1,060	−30
Orient Leasing	2,800	−50
Pioneer	2,420	...
Renown	626	...
Ricoh	865	+2
Sankyo	1,220	−20
Sanyo Elect.	435	−10
Sapporo	439	+16
Sekisui Prefab	585	+14
Seven-Eleven	9,330	−40
Sharp	873	−2
Shimadzu	695xc	...
Shionogi	705xc	...
Shiseido	1,140	+10
Sony	4,180	−70
Stanley	886	−18
S'tomo Bank	1,690	+70
S'tomo Elect	858	−3
S'tomo Marine	600	−20
S'tomo Metal	148	+3
Taihei Dengyo	490	−9
Taisei Corp.	219	+10
Taisho Pharm	1,230	−50
Takeda	880	−25
TDK	5,290	−10
Teijin	438	+1
Teikoku	785	+80
Tokyo Marine	800	−19
TBS	762	−3
Tokyo Elect Pwr	1,700	+60
Tokyo Gas	190	+13
Tokyo Sanyo	690	−19
Tokyo Style	723	+3
Tokyu Corp	352	−6
Toppan Print	861	−9
Toray	465	+5
Toshiba Elect	391	...
TOTO	654	+9
Toyo Seikan	860	−10
Toyota Motor	1,210	+10
Victor	1,950	−20
Wacoal	692	−29
Yamaha	726	...
Yamanouchi	3,660	−40
Yamazaki	640	−7
Yasuda Fire	439	−4
Yokogawa Bdge.	429	...

SINGAPORE

Apr. 17	Price $	+ or —
Boustead Hldgs.	1.69	...
Cold Storage	2.51	−0.07
DBS	6.1	−0.05
Genting	5.7	−0.05
Haw Par. Bros.	2.18	...
Hong Leong Fin.	2.99	−0.01
Inchcape Bhd.	2.43	...
Keppel Shipyard	1.44	...
Malay Banking	5.8	+0.05
Malay Utd. Ind	2.33	...
Multi Purpose	0.85	...
OCBC	8.95	+0.05
OUB	3.82	...
Public Bank	1.46	+0.05
Sime Darby	1.89	−0.01
Singapore Press	6.3	−0.05
Straits Trdg.	4.26	...
Tat Lee Bk	2.74	...
UOB	4.36	...

SOUTH AFRICA

Apr. 17	Price Rand	+ or —
Abercom	1.60	+0.05
AE&CI	8.25	...
Allied Tech	56.5	...
Anglo Am Coal	40.25	+0.25
Anglo Am Corp	27.35	−0.15
Anglo Am Gold	179.5	−0.25
Barclays Bank	15.75	...
Barlow Rand	11.45	−0.05
Buffels	82	+0.25
CNA Gallo	2.5	...
Currie Finance	3.80	+0.05
De Beers	10.35	−1.0
Driefontein	64.5	−0.75
FS Geduld	57.5	−0.1
Gold Fields SA	33.5	−0.5
Highveld Steel	4	+0.05
Nedbank	11.85	+0.55
OK Bazaars	13.5	...
Protea Hldgs.	1.50	+0.05
Rembrandt	36.5	+0.5
Rust Plat	17.5	−0.25
Safren	16	+0.5
Sage Hldgs	8.65	+0.05
SA Brews	7.4	+0.2
Smith (AG)	23	...
Tongaat Hulet	7.00	...
Unisec	5.50	...

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 1.30pm April 17

Sales	Stock	High	Low	Close	Chng
15101	Celanese	$7⅜	7⅛	7⅜	+¼
10050	C Distb A	$5½	5½	5½	
300	CTL Bank	$9⅞	9¾	9⅞	+⅛
60	Conwest A	$8⅛	8⅛	8⅛	−⅜
10900	Coseka R	350	340	350	+10
400	Inglis	$15½	15½	15½	
760	Inland Gas	$16	16	16	
14100	Intl Thom	$8⅞	8¾	8⅞	+⅛
4925	Intpr Pipe	$36¼	36	36	−⅜
112	Ivaco B	$21½	21½	21½	−¼
1000	Rogers A	$9⅜	9⅜	9⅜	+⅛
700	Roman	$10½	10¼	10½	+½
180	Rothman	$41½	41½	41½	+½
15900	Sceptre	$6⅞	6⅝	6⅞	+¼
3200	Scotts 1	$23½	23¼	23½	+¼

[illegible]

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 41

[illegible]

OVER-THE-COUNTER *Nasdaq national market, 2pm prices*

[illegible]

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES		
Ex 2½% 1990	£91½	+⅝
Appledore	210	+10
Barclays (N/pd)	198	+18
Berisford	167	+7
Boase Mass Poll	735	+30
BP	547	+12
British Tel.	140	+3½
Debenhams	281	+14
Etam	189	+13
Forward Techn.	28	+4
Hall (Matthew)	325	+14
ICI	782	+10
Imtec	60	+14
Kalamazoo	32	+6
Kwik Save	204	+14
Lasmo	322	+12
Midland Bank	350	+12
Midland Marts	104	+14
NatWest	595	+23
NEI	88	+9½
Pict Petroleum	148	+15
RMC	354	+8
Racal Electronics	210	+6
Reed (Austin)	124	+8
Rothmans Intl	177	+7
STC	206	+9
Vosper	275	+24
FALLS		
Tr 13½% 2004 08	£123⅝	−⅝
Tr 2½% I.L. 2011	£104⅝	−⅝
Minet Holdgs.	250	−24

Continued on Page 50

LONDON STOCK EXCHANGE

MARKET REPORT

Revived interest rate optimism leaves equities higher for fourth session in a row

Account Dealing Dates

Option *First Dealings	Declara- tions	Last Dealings	Account Day
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7
Apr 29	May 9	May 10	May 20

* "New-time" dealings may take place from 9.30 am two business days earlier.

Expectations of lower bank base rates continued to underpin London equities which extended their advance yesterday to four trading sessions in a row. The absence of any moves by NatWest and Lloyds, the two clearing banks currently charging customers higher rates than other houses, was disappointing but failed to diminish hopes of cheaper borrowing charges within the next few days.

Short-term interest rates in financial markets softened before hardening later and sterling improved further as foreign exchange dealers reacted cautiously to the latest U.S. economic indicators; the commerce department will disclose its revised forecast for Gross National Product today. Publication of UK statistics, including the February industrial production and average earnings figures, made little impression on markets.

Equity investors, however, were selective in their approach and concentrated on blue chip rather than secondary issues. International stocks, despite the healthy pound, were favoured with the emphasis on ICI, Imperial Group and British Telecom. The financial sector was not left out and the clearing banks emerged more strongly from a spell of prolonged dullness. NatWest and the new nil-paid shares of Barclays, the result of the recent rights issue, led the movement.

The firm tone continued in the after-hours' trade and the FT Ordinary share index closed 9.3 up at the day's highest, making a four-day rise of 31.4 to 988.8.

Government bonds opened firmly and short-dated issues maintained the trend throughout. The longs, on the other hand, suffered a bout of stock indigestion following the good rise since business was resumed after the Easter holiday. Traders seemed prepared to await interest rate decisions and quotations drifted off during a light turnover to settle around ½ or so lower on balance. Index-linked Gilts showed similar losses with sentiment influenced by the Prime Minister's stand over an inflation target of 3 per cent.

CU below best

Although the widely-rumoured bid for Commercial Union failed to materialise yesterday, speculators were undaunted and their renewed efforts pushed the shares up to a new 1985 peak of 234p in the early business. Progress thereafter was halted by denials from both Allianz and Swiss Reinsurance of bid intentions and CU slipped back to 225p before rallying after-hours' on fresh talk of an imminent development to close 5 higher on balance at 231p. General Accident and GRE, both mentioned as possible predators, gave ground with the former ending 5 off at 585p and the latter 3 down at 665p. Elsewhere, Lloyds broker Minet plunged 24 to 250p on the warning that an underwriting syndicate managed by the company could face substantial losses. Other issues fell in sympathy but closed well above the day's lowest. C. E. Heath ended 10 down at 588p, after 585p, while PWS International sustained a similar loss at 500p, after 485p.

Technical considerations contributed to major clearing banks experiencing their best day for some time. Barclays new nil-paid shares jumped 18 to 198p premium and the old closed 13 higher at 355p, while NatWest finished 23 to the good at 595p. Lloyds improved 13 to 540p. Midland, helped to some extent by the slightly better-than-expected first-quarter figures from Crocker National, closed 12 dearer at 350p.

Breweries again made modest headway with the bulk of the business transacted in the first hour of trading. Whitbread A closed 5 up at 195p, while Allied Lyons hardened a few pence to 178p. Scottish and Newcastle closed 1½ to the good at 132p valuing takeover target Matthew Brown at around 450p per share; the latter ran into persistent country selling and dipped 5 to 418p.

Dealers described overall business in Buildings as disappointing given that the dividend season is now well under way. RMC, the latest building materials major to report, reacted to 348p following the warning about current trading which accompanied the annual figures but, after a meeting with analysts, the price rebounded to close a net 8 up on the day at 364p. Elsewhere, Taylor Woodrow rose 10 to 387p after comment on the preliminary figures, while George Wimpey, annual results scheduled for April 25, improved 2 to 107p.

Domestic and U.S. buying ahead of the first-quarter figures due on April 25 lifted ICI 19 to 782p. Among other Chemicals, Laporte firmed 6 to 434p awaiting today's annual results.

Leading Stores continued to make progress, although demand was far more selective than recently. Debenhams attracted renewed support and finished 14 up at the day's best of 261p, while Woolworth attained a 1985 high of 865p before settling 9 better on balance at 852p—still up 67 so far this week. Investors also displayed fresh enthusiasm for MFI, 7 better at 290p, after 300p, and for merger partner Associated Dairies, 4 up at 158p.

Once again, a batch of trading statements sparked off interest among secondary Stores. Etam advanced 13 to 169p following the annual results, while Owen Owen, also announcing full-year figures, closed 8 up at 188p. I. J. Dewhirst gained the turn to 100p on the increased preliminary profits and proposed one-for-five scrip issue. J. Hepworth, which announced interim profits in line with brokers' best estimates on Tuesday, closed 5 up at 198p, after 200p, while buyers returned for Austin Reed A, 8 up for a two-day advance of 18 to 124p. Warehouse were to the fore and improved 20 to 370p, while Fortnum and Mason, which announced doubled full-year profits earlier in the week, were marked a couple of points higher to £32.

NEI advanced 9½ to 86p on the cheerful statement which accompanied the annual results, particularly the reassuring remarks concerning the Indian power station contract. Elsewhere in Electricals, British Telecom met with revived institutional demand and closed 3½ to the good at 140p, after 142p, while Racal rose 6 to 210p ahead of an analysts' meeting scheduled for today. Forward Technology added 4 to 28p in response to the annual results. Telephone Rentals, 5 better at 205p, and Godwin Warren, 5 up at 158p, were others to respond to trading news. Electrocomponents jumped 18 to 303p.

Leading Engineers passed another quiet session, although quotations displayed a slightly firmer tendency. Vosper featured a further jump of 24 to 275p in a limited market on continuing nationalisation compensation hopes. APV down to 228p at one stage following the announcement of sharply lower annual profits, rallied smartly to close 6 firmer on balance at 248p as buyers took note of the relatively encouraging statement on prospects. Matthew Hall moved up 14 to 326p in response to preliminary figures and proposed one-for-one scrip issue, while Williams Holdings picked up 12 more to 274p.

Associated Dairies' agreed bid for MFI Furniture continued to stimulate the Food sector and the leaders often displayed useful gains. Kwik Save were a particularly firm market at 204p, up 14, while William Morrison gained 8 more to 250p. Elsewhere, recently-overlooked S. & W. Berisford moved up 7 to 167p, while Unigate firmed 5 to 158p on talk of a broker's recommendation. Associated British Foods rose 8 to 234p and Rowntree Mackintosh improved 7 to 402p. J. E. England added 3 to 27p ahead of tomorrow's annual results.

Dealings in Midsummer Inns were suspended at 235p pending results of a reorganisation.

Glaxo edge higher

The miscellaneous industrial leaders were inclined firmer with Glaxo, still benefiting from recent figures, improving ½ more to £12½. Occasional buying lifted Hanson Trust 5 to 213p, but Beecham settled only a penny firmer at 368p, after 372p. Elsewhere, profit-taking after the recent bumper preliminary figures, clipped 15 from Pentland Industries at 640p, but renewed support left Sale Tilney up 16 further at 628. Fogarty responded to the second-half profits recovery with a rise of 4 to 71p, while satisfactory annual results prompted an improvement of 2 to 124p in Brook Street Bureau. Buyers again showed interest in Appledore, 10 higher at 210p, and Courtney Pope, a like amount dearer at 360p. Midland Marts put on 14 to 104p ahead of figures, due soon, while European Ferries, due to report preliminary results next month, firmed 4½ to 145p. Avon Rubber were noteworthy for a gain of 8 to 308p along with AAH, which put on 5 further at 153p. Among smaller-priced issues, renewed speculative buying lifted United Guarantee 3½ more to 30p and Kalamazoo also stood out with a rise of 6 to 36p. In contrast, Wade Potteries eased a few pence to 145p following the interim results and Scapa closed 5 off at 455p after news of the £20.1m rights issue, profits and dividend forecast.

British Printing and Communication closed a penny up at 184p after 199p, following the annual results. Advertising agents Boase Massimi Pollitt continued to respond to the full-year figures and proposed 1-for-1 scrip issue, advancing 30 for a two-day gain of 50 at 735p.

Interest in the Property leaders was minimal and quotations barely stirred. Elsewhere, the recent placing by London Securities of around 25m shares with various institutional investors sparked speculative buying of USM-quoted London and Manchester which gained 3 to 10p.

P & O Deferred returned to favour and advanced 13 to 353p with business extending well into the after-hours' trade; the Warrants closed 5 dearer at 78p.

Tobaccos attracted widespread support with sentiment aided by talk of imminent price increases in the German market. Rothmans, down to a 1985 low of 179p earlier, closed a net 7 to the good at 177p, while Imperial, unsettled of late by the lack of news concerning the eagerly-awaited sale of Howard Johnson, rallied 5 to 185p

BP move ahead

The oil majors moved narrowly during the morning but picked up well later following the emergence of American buying interest. BP ended the day 12 to the good at 547p and Shell settled 10 higher at 727p. LASMO featured with a gain of 12 to 322p, after 325p, in the wake of the encouraging oil and gas discoveries off the coast of Indonesia.

Second-line stocks were highlighted by Pict Petroleum, which jumped 15 more to 148p on renewed speculative interest, while Sun (UK) Royalty added a like amount at 130p. Aberdeen American Petroleum put on 5 to 145p in the wake of the full-year figures and accompanying progress report, while the proposed U.S. acquisition boosted Petrogen Petroleum 5 to 48p, after 49p.

RTZ decline

Rio Tinto-Zinc held the limelight in mining markets; after edging up to 655p in initial response to the dividend increase, the shares subsequently retreated sharply to close a net 13 lower at 642p on the profits figure, which failed to match the most optimistic market forecasts together with the accompanying statement.

The Gold Mines index dropped 14.3 more to 521.2, while bullion moved in a narrow range prior to closing a net $2 firmer at $328.23 an ounce.

The effects of the recent improvement in sterling against the Australian dollar coupled with the decline in bullion prices over the past couple of days prompted a flurry of profit-taking throughout "down-under" issues. Golds were particularly vulnerable with GMK 15 off at 505p, Central Norseman 25 lower at 423p and Poseidon 13 cheaper at 237p.

Slightly increased demand for both calls and puts boosted total contracts done in Traded Options to 8,986. Commercial Union continued to attract the lion's share of business with 2,150 calls and 485 puts transacted. British Telecom recorded 878 calls and 399 puts.

FINANCIAL TIMES STOCK INDICES

	Apr. 17	Apr. 16	Apr. 15	Apr. 12	Apr. 11	Apr. 10	year ago
Government Secs.	81.58	81.83	81.77	81.40	81.21	81.04	81.94
Fixed Interest	85.79	85.80	85.58	85.58	85.47	85.44	86.31
Ordinary	988.8	979.5	977.0	967.8	967.4	960.3	888.6
Gold Mines	521.2	535.5	536.9	533.5	524.8	518.0	679.3
Ord. Div. Yield	4.60	4.65	4.67	4.73	4.77	4.74	4.32
Earnings, Yld.% (full)	11.61	11.75	11.67	11.83	11.86	11.88	9.89
P/E Ratio (net) (*)	10.49	10.38	10.44	10.29	10.19	10.26	12.21
Total bargains (Est.)	25,464	26,064	24,920	26,099	25,698	25,340	22,026
Equity turnover £m.	—	429.21	430.02	493.56	393.40	261.39	320.12
Equity bargains	—	25,431	26,129	26,684	23,198	23,426	17,556
Shares traded (ml)	—	243.4	230.4	316.5	220.5	136.8	140.2

10 am 981.5. 11 am 983.8. Noon 987.2. 1 pm 987.9. 2 pm 987.9. 3 pm 987.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.19.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	81.83 (8/1)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	85.80 (16/4)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	928.7 (8/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	439.5 (25/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	Apr. 16	Apr. 15
Daily		
Gilt Edged Bargains	167.4	180.0
Equities Bargains	164.8	169.3
Equities Value	867.5	869.2
5-day Average		
Gilt Edged Bargains	170.9	166.4
Equities Bargains	160.5	161.8
Equities Value	807.5	756.8

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (91)

BRITISH FUNDS (6)
Treas. 3pc 1985; Fndg 6½pc 1985-87; Exch 2½pc 1986; Treas 5pc 1986-89; Exch 2½pc 1987; Exch 1pc 1990

INTNL BANK AND OVERSEAS GOVT STERLING ISSUES (1)
Sweden 13½pcLn 2010

BANKS (1)
Wagon Fin

BUILDINGS (3)
Feb Intnl A; Taylor Woodrow; Sindall (Wm)

CHEMICALS (2)
Laporte Inds; Ransom (Wm)

STORES (10)
Aquascutum A; Reed (Austin) A NV; Burton; Time Prods; Eliss and Goldstein; Vantona Viyella; Elam; Ward White; Home Charm 7pcLn 1997-04; Woolworth

ELECTRICALS (7)
Compsoft; JSD Computer; Cray Elecs; Miles 33; Elec Machine; Scholes (G. H.); Farnell Elec

ENGINEERING (8)
Blackwood Hodge; Linread; Elliott (B.); 600 Grp; Hall Eng; Vosper; Hall (Matthew); Woodhouse Rixson

FOODS (10)
Argyll Grp; Iceland Frozen Foods; Asscd Brit Foods; Kwik Save; Belam; Low (Wm); Dee Con; Morrison (Wm); England (J. E.); Nurdin and Peacock

INDUSTRIALS (15)
AAH; Sale Tilney; Appledore (A. P.); Siebe; Astbury and Madeley; Sparrow (G. W.); BBA; Sycamore; Exte-; Utd Guarantee; Midland Marts; Wills (George); BETEC; Wolseley-Hughes; Ropner

INSURANCE (2)
Cmml Union; Refuge

LEISURE (1)
Zetters

NEWSPAPERS (2)
Black (A. C.); News Intnl SpecDiv

PAPER (2)
Boase Massimi Pollitt; Hunterprint

PROPERTY (4)
Gable House 10½pc Cnv 1995-99; Peel Hldgs; Lon. & Manch. Secs; Rush & Tompkins

SHIPPING (1)
Ocean Transport

TEXTILES (2)
Earlys of Witney; Smallshaw (R.)

TOBACCOS (1)
BAT Inds 12½pcLn 2003-08

TRUSTS (7)
Lowland Inv.; Intl. Inv. Trust Jersey; Shires Inv. 11pcCvLn 2003-04; Lond. Merchant Secs. Do. Dcfd; Comprehensive Fin. Services; Westpool

OILS (3)
Hunting Pet. 10pc CvLn 1997; Ultramar; Pennine Resources

OVERSEAS TRADERS (1)
Borthwick (Thomas)

MINES (2)
East Daggafontein; Oakbridge

NEW LOWS (62)

AMERICANS (8)
Alcoa; Pacific Telesis; Colgate-Palmolive; Lowes; Eaton; Utd Technology; General Electric; U.S. West

CANADIANS (2)
Barrick Res; Brascan

BANKS (3)
ANZ; Westpac; Ansbacher (H.)

BREWERS (1)
Bell (A.) 9½pc Cnv 99-01

CHEMICALS (1)
Engelhard Corp

STORES (1)
French Connection

ELECTRICALS (9)
ASEA B; Pressac; BSR; Sarasota Technology; Mitel Corp.; TDK Corp.; NEC; Telefusion; Pericom

ENGINEERING (1)
Chemring

FOODS (2)
Dart and Kraft; Whitworth's Food

INDUSTRIALS (8)
Borg-Warner; Renown Inc.; BH Prop.; Sketchley; Diver Corp.; Tod (W. & J.); Quotron Systems; Williams (J.)

INSURANCE (2)
Lincoln Nat'l; N2I Corp

MOTORS (1)
Honda Motor

PROPERTY (2)
Cussins Prop.; Sheafbank Prop.

TEXTILES (1)
Lyles (S.)

TOBACCOS (1)
Rothmans Intl.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
APV	248	+6
BPCC	194	+1
Commercial Union	231	+5
Debenhams	261	+14
Falcon Resources	465	—
ICI	782	+19
Minet	250	−24
NEI	86	+9½
Osceola Hydrocarbons	60	−4
RMC	364	+8
RTZ	60	−4
RMC	364	+8
RTZ	642	−13
Vosper	275	+24

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed April 17 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Tues April 16 Index No.	Mon April 15 Index No.	Fri April 12 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (207)	555.45	+0.8	10.12	4.00	12.32	4.30	551.26	551.02	545.01	518.07
2 Building Materials (24)	496.78	+0.3	12.89	5.01	9.61	1.33	495.42	495.39	494.41	512.92
3 Contracting, Construction (29)	715.78	+0.8	13.08	5.63	9.86	4.36	710.41	706.49	699.90	766.68
4 Electricals (15)	1598.66	+2.2	10.41	4.56	11.99	2.79	1564.96	1566.18	1559.82	1703.73
5 Electronics (36)	1732.13	+1.5	8.55	2.94	15.04	12.79	1707.23	1715.08	1675.84	1774.01
6 Mechanical Engineering (62)	310.08	+0.1	10.84	4.44	11.13	3.02	309.71	308.81	307.45	242.28
8 Metals and Metal Forming (8)	191.96	—	11.78	7.64	10.49	1.94	191.93	190.52	191.15	199.25
9 Motors (17)	165.70	+0.3	13.32	5.06	9.28	2.58	165.17	164.99	164.64	140.47
10 Other Industrial Materials (16)	938.58	+0.3	7.72	3.32	15.66	9.00	935.75	938.06	923.64	688.44
21 CONSUMER GROUP (178)	652.40	+0.9	9.46	3.80	12.78	3.64	646.68	645.47	633.25	527.66
22 Brewers and Distillers (23)	572.21	+0.4	11.82	4.70	10.49	3.56	569.90	568.95	564.99	514.65
25 Food Manufacturing (20)	498.42	+1.2	11.71	4.82	10.67	7.27	492.43	491.44	491.63	400.78
26 Food Retailing (13)	1582.32	+1.6	6.05	2.39	22.03	4.85	1557.69	1572.32	1543.97	1180.36
27 Health and Household Products (9)	1047.81	+0.7	6.32	2.69	18.51	1.35	1040.78	1020.61	983.50	807.18
29 Leisure (23)	679.84	+0.2	8.67	4.78	15.08	9.96	678.22	666.89	659.45	686.50
32 Newspapers, Publishing (12)	1778.36	+0.6	6.57	4.28	19.70	10.05	1768.58	1770.58	1753.55	1335.80
33 Packaging and Paper (14)	311.38	+0.4	11.11	4.20	10.46	1.07	310.21	308.14	305.91	265.33
34 Stores (42)	621.14	+0.9	6.77	3.16	18.06	1.55	615.67	618.03	600.68	478.04
35 Textiles (19)	325.66	+0.6	15.99	4.67	7.27	0.41	323.56	321.99	319.84	303.46
36 Tobaccos (3)	893.30	+1.4	16.29	4.80	6.85	5.43	880.54	890.15	866.51	652.61
41 OTHER GROUPS (98)	684.29	+1.4	8.86	3.97	14.25	4.58	675.13	673.84	671.85	448.70
42 Chemicals (17)	767.86	+1.9	13.28	4.75	9.35	13.77	753.43	744.71	740.07	608.09
44 Office Equipment (4)	187.68	+1.0	7.04	4.48	17.59	2.92	185.75	185.00	182.62	134.60
45 Shipping and Transport (12)	1175.06	+1.7	6.87	4.65	18.51	18.65	1155.45	1156.37	1157.00	882.81
46 Miscellaneous (63)	848.38	+0.9	7.32	3.33	16.75	3.32	841.03	838.14	832.24	607.91
48 Telephone Networks (2)	832.51	+1.4	8.04	3.86	16.24	8.70	821.29	824.58	826.19	0.0
49 INDUSTRIAL GROUP (483)	644.05	+1.0	9.47	3.90	13.02	4.14	637.81	636.84	628.85	517.61
51 Oils (17)	1189.16	+1.8	15.66	7.80	7.84	37.00	1168.58	1170.86	1171.81	1112.98
59 500 SHARE INDEX (500)	689.68	+1.1	10.31	4.32	11.94	6.75	682.28	681.57	674.25	567.49
61 FINANCIAL GROUP (115)	454.69	+0.9	—	5.45	—	6.32	450.77	448.06	449.55	387.92
62 Banks (6)	439.50	+3.3	17.72	7.80	7.97	18.72	425.29	420.58	422.36	382.20
65 Insurance (Life) (8)	675.93	+0.2	—	4.66	—	12.95	674.87	668.84	679.06	487.24
66 Insurance (Composite) (7)	344.14	+0.2	—	5.67	—	4.15	343.39	337.80	334.77	281.14
67 Insurance (Brokers) (7)	1099.51	−0.9	7.83	3.61	17.03	11.28	1108.96	1124.24	1136.71	780.09
68 Merchant Banks (11)	229.04	—	—	4.17	—	1.22	229.00	230.14	230.79	247.49
69 Property (50)	630.46	—	5.62	3.63	23.59	1.29	630.57	630.96	628.40	573.17
70 Other Financial (26)	284.44	+0.2	8.37	5.69	14.51	4.29	283.77	283.03	287.24	263.65
71 Investment Trusts (106)	583.71	+0.2	—	3.48	—	4.35	582.82	590.80	587.66	516.52
81 Mining Finance (4)	304.08	−1.7	9.44	5.20	13.50	1.50	309.24	311.08	303.67	317.21
91 Overseas Traders (14)	662.72	+0.4	9.03	6.41	13.73	7.06	660.11	657.19	653.47	580.46
99 ALL-SHARE INDEX (739)	626.56	+1.0	—	4.48	—	6.39	620.64	620.05	614.73	523.02

	Index No.	Day's Change	Day's High	Day's Low	April 16	April 15	April 12	April 11	April 10	Year ago
FT-SE 100 SHARE INDEX	1304.0	+13.2	1304.1	1290.9	1290.8	1288.5	1275.8	1269.3	1273.1	1118.2

FIXED INTEREST

PRICE INDICES	Wed April 17	Day's change %	Tues April 16	xd adj. today	xd adj. 1985 to date
British Government					
1 5 years	117.10	+0.09	116.99	—	3.69
2 5-15 years	128.72	−0.14	128.90	—	5.01
3 Over 15 years	136.36	−0.27	136.73	—	3.03
4 Irredeemables	149.57	−0.67	150.57	—	1.62
5 All stocks	127.59	−0.08	127.69	—	4.24
6 Debentures & Loans	109.90	+0.14	109.74	—	3.26
7 Preference	77.27	+0.13	77.17	—	2.30
BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8 All stocks	110.01	−0.18	110.21	—	1.03

AVERAGE GROSS REDEMPTION YIELDS		Wed April 17	Tues April 16	Year ago (approx.)
British Government				
1 Low Coupons	5 years	10.51	10.51	10.13
2	15 years	10.56	10.52	10.32
3	25 years	10.15	10.10	9.86
4 Medium Coupons	5 years	11.41	11.41	10.78
5	15 years	10.85	10.81	10.76
6	25 years	10.34	10.30	10.17
7 High Coupons	5 years	11.45	11.46	10.98
8	15 years	11.01	10.97	10.92
9	25 years	10.51	10.46	10.28
10 Irredeemables†		10.00	9.92	9.77
11 Debs & Loans	5 years	12.08	12.07	11.42
12	15 years	11.71	11.73	11.41
13	25 years	11.49	11.51	11.41
14 Preference†		12.71	12.73	12.70
15 Inflation rate	5%	3.39	3.38	3.32
16	10%	3.22	3.21	3.13

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p. For record of XD adjustments during 1985 to date please write to the Prices Room, Financial Times, 10, Cannon Street, London EC4P 4BY, enclosing stamped addressed envelope.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$325	38	12	—	—	—	—	$327.90
GOLD C	$320	13	3.50	—	—	—	—	"
GOLD C	$375	10	1	—	—	—	—	"
GOLD P	$280	15	0.60	144	2.60	—	—	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 32,629

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P.E. Ratio
155	F.P.	9/5	172	165	✠Assoc. Steel Dist.£1	168	−2	u8.0	2.1	6.8	11.6
§82	F.P.	19/4	79	68	✠BTS 10p	70	+2	bg3.4	3.0	6.9	9.1
¶185	F.P.	3/5	225	170	✠Bedford (William) 5p	175		n3.5	2.6	2.9	18.3
¶112.50	F.P.	17/5	115	100	Blagden Inds.	110		7.2	1.8	9.3	7.5
§60	F.P.	3/4	88	70	✠Crown Int'l.Prod 10p	80	+2	bg2.1	1.6	3.8	20.5
—	F.P.	—	42	37	German Small. Wrrts.	40		—	—	—	—
¶145	F.P.	14/3	180	148	Hillsdown Hldgs. 10p.	148	−2	bgd5.5	2.7	3.4	14.4
§82	F.P.	3/5	86	80	✠Laidlaw Thomson	81		g3.5	2.0	6.2	11.3
¶145	F.P.	26/4	172	156	Mann 20p	170	−3	bg3.5	2.8	2.9	17.3
175	F.P.	15/5	210	198	New London Oil 5p.	198	−2	—	—	—	—
100	75	1/3	78	70	Pacific Assets Tst.50p	76	−1	—	—	—	—
—	F.P.	—	44	39	Do. Ser. 1 Warrants	42		—	—	—	—
**	F.P.	—	90	73	P.&O. Warrants.	78	+5	—	—	—	—
100	F.P.	16/4	107	86	✠Pape 10p	86	−1	u3.0	2.5	5.0	11.4
£7.25*	F.P.	26/4	730	685	Plantation Tst Units‡‡	685		—	—	—	—
—	F.P.	26/4	95	87	REA Warrants	87		—	—	—	—
‡‡	F.P.	—	69	57	✠Sangers	69	+2	—	—	—	—
110	F.P.	—	114	110	Scott Greenham 10p.	112		bg3.0	2.4	3.8	14.5
¶100	F.P.	10/5	92	88	Shorrock 10p.	89	−1	1.5	2.5	2.4	23.4
¶175	F.P.	8/5	175	170	Sintrom 10p.	175		ug1.84	3.3	1.5	28.9
130	F.P.	—	145	140	✠Wayne Kerr 10p.	144	−1	u1.5	4.2	1.5	22.9

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price £	+ or −
¶101	£51	15/2	54½	50	Felixstowe Dock Prf. Units†	54½	
86.81	£30	19/6	31½	25	Int.-Am. Dev. Bk. 9½Ln. 2016	31¼	−¼
¶100	£10	23/5	13½	12	Mid Southern Wtr. 9½ Red. Prf. 1990	13¼	
—	F.P.	—	100	99¾	Nationwide Bldg. Soc. 12½% 31 3 85	100	+⅛
—	F.P.	—	100¼	100	Do. 13¼% Bds. 21 4 86	100¼	+⅛
—	F.P.	26/4	97	93	REA Hldgs. 9½ Cum. Pref.	95	
**	F.P.	26/4	111	105	Sheafbank Prop. 6½ Cum. Conv. Prf.	106	
49.895	£30	12/7	36⅛	30	Spain Kingdom of 11½% Ln 2010	36	−⅛
91.976	F.P.	27/3	97½	90½	Sweden 11½ Ln. 2012	97¼	

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
82	Nil	31/5	20pm	14pm	Aaronson Bros. 10p	20pm	
60	Nil	—	19pm	11pm	BBA	19pm	+3
150	Nil	14/6	222pm	173pm	Barclays £1	198pm	+18
142	Nil	—	22pm	15pm	✠Berkeley Group	18pm	
178	Nil	15/5	29pm	15pm	Bespak 10p	29pm	+5
65	Nil	17/5	223pm	173pm	Bullough 20p.	192pm	−1
38	Nil	16/5	10pm	6½pm	FKI Electricals 10p	8pm	+1
245	F.P.	31/5	383	300	Fisons	307	+2
238	Nil	10/5	35pm	17pm	Glass Glover 5p.	20pm	+2
70	F.P.	—	76	63	Jackson Exptn. 1	65	
66	Nil	15/5	4½pm	3pm	Mitchell Cotts	4½pm	+½
185	Nil	14/6	18½pm	10pm	Morgan Crucible	18pm	+2
7	Nil	10/6	10pm	7pm	Ryan Intl. 5p	10pm	
190	F.P.	31/5	204	193½	STC	204	+7
315	F.P.	19/4	356	331	Trafalgar House 20p	337	+1
158	F.P.	14/6	178	168	United Biscuits	177	+2
240	F.P.	13/5	268	245	Watmoughs	250	+5
220	Nil	—	105pm	97pm	Wolstenholme Rink	103pm	
15	Nil	17/5	4pm	3pm	Worthington (A. J.)	3pm	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ⊕ Figures or report awaited. ‡‡ Units comprising 5 Ord., 1 Warrant and £2.50 nominal of conv. stock.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	29	63	16
Corpns. Dom. and Foreign Bonds	15	5	53
Industrials	391	185	868
Financial and Prop.	104	92	350
Oils	29	26	89
Plantations	3	2	12
Mines	7	112	61
Others	72	60	77
Totals	650	545	1,506

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5
May 7	May 17	Aug 8	Aug 19

For rate indications see end of Share Information Service

Stocks favoured for the call included Vosper, Celtic Haven, Commercial Union, C. H. Bailey, Hepworth Ceramic, Eglinton Oil and Gas, Hong Kong Land, Osceola, United Guarantee, Silvermines, Helene of London, Atlantic Resources, Jones Mining, I. and J. Hyman, United Leasing, J. Bibby, STC, Bryson, Debenhams, Sketchley, Bula, North Kalgurli and North Kalgurli Options. No puts were reported, but a double was transacted in American and Aberdeen Oil.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Comm Union	25	226	+14
Barclays†	20	180pm	+8
Debenhams	20	247	−11
MFI Furniture	16	283	−20
Glaxo	15	£12	+½
ICI	15	763	+13
Pentland Inds	15	655	+25
Thorn EMI	15	440	+15
Bowthorpe	14	385	−50
Assoc. Dairies	13	154	−10
Hepworth (J)	13	193	−7
Tate & Lyle	13	442	+15
Woolworth	13	843	+26
BTR	12	680	+5

† Nil-paid

LONDON TRADED OPTIONS

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Gp. (*184)	160	27	35	—	1½	2	—
	180	11	19	25	6	9	12
	200	6	11	17	19	23	28
	220	1½	7	11	38	39	44
LASMO (*325)	300	38	48	55	5	10	16
	330	20	33	40	15	20	30
	360	12	22	28	42	48	53
	390	4	8	17	70	76	80
[illegible]							

Apr. 17. Total contracts 8,986. Calls 6,520. Puts 2,466.
* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

INSURANCES

LEISURE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

MINES—Continued

Finance

Australians

Tins

250	180	♥Tongkah H. Tin SM1	180		♦023c	1.2	4.6
305	260	Tronoh SM1	260		♦v065c	1.4	‡

Miscellaneous

55	37	Anglo-Dominion	43		—	—	—
48	35	♥Anglo Utd. Dev.	40	+1	—	—	—
350	155	♥Centennial Min'ls.	195	−5	—	—	—
120	70	♥Colby Res Corp.	90		—	—	—
550	450	Cons. Murch. 10c	450		♦Q100c	1.4	10.8
40	28	♥Emex Int. Ir10p	35	−3	—	—	—
117	73	♥Greenwich Res. Inc.	80		—	—	—
210	157	Hampton Areas 10p	210		3.75	2.1	2.4
260	160	♥Highwood Res.	190		—	—	—
£22½	£18	Homestake Mining $1	£20½	−½	Q20c	—	0.8
330	190	♥McFinley Red Lake	220	−5	—	—	—
300	195	♥Mosto Explorations	275		—	—	—
55	23	♥New Sabina Res C$1	40		—	—	—
375	260	Northgate C$1	345	−10	—	—	—
685	581	RTZ	642	−13	20.0	♦	4.5
£145½	£129	Do 9½pcLn '95-2000	£139	−2½	Q9½%	35.4	17.0
£13⅝	£10	♥Tara Expln $1	£12⅞	−⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock"
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed, dealings permitted under Rule 535(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶ Dealt in under Rule 535(3).
- ‖ Price at time of suspension.
- • Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ❖ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✶ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ǁ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	102		Arnott	178	
Craig & Rose £1	£20		CPI Hldgs.	55	−3
Finlay Pkg. 5p	61		Carrol Inds.	111	
Higsons Brew	122		Dublin Gas	52	
Holt (Jos) 25p	770		Hall (R. & H.)	45xd	
IoM Stm. £1	87		Heiton Hldgs.	13	−3½
IRISH			Irish Ropes	41	
Exch. 12% 1985	£99⅞		Jacob (W & R)	66	
Nat. 9¾% 84/89	£89		Unidare	84	
Fin. 13% 97/02	£98¼				

OPTIONS — 3-month call rates

Industrials	p	GKN	17	Turner Newall	10
Allied-Lyons	16	Hanson Tst	17½	Unilever	85
BAT	32	Hawker Sidd	38	Vickers	19
BOC Grp.	25	Hse of Fraser	30	Property	
BSR	16	ICI	60	Brit Land	12
BTR	52	'Imps'	18	Cap Counties	18
Babcock	24	Jaguar	28	Land Secs	25
Barclays	48	Ladbroke	24	MEPC	28
Beecham	32	Legal & Gen	50	Peachey	22
Blue Circle	45	Lex Service	28	Samuel Props	14
Boots	15	Lloyds Bank	45	Oils	
Bowaters	28	Lucas Inds.	25	Brit. Oil & Min	4
Brit Aerospace	33	Marks & Spcr	11	Brit Petroleum	42
Brit. Telecom	11	Midland Bk	30	Burmah Oil	18
Brown (J)	3	NEI	8	Charterhall	6
Burton Ord	39	Nat West Bk	60	Premier	5
Cadburys	14	P & O Dfd	36	Shell	60
Comm Union	19	Plessey	17	Tricentrol	18
Courtaulds	12½	Polly Peck	26	Ultramar	19
Debenhams	17½	Racal Elect	18	Mines	
Distillers	28	RHM	11	Charter Cons	18
Dunlop	6	Rank Org Ord	32	Cons Gold	44
FNFC	8½	Reed Intnl	50	Lonrho	14
Gen Accident	45	Sears	8	Rio T Zinc	56
Gen Electric	17	TI	20		
Glaxo	85	Tesco	20		
Grand Met	25	Thorn EMI	35		
GUS 'A'	60	Trust Houses	13		
Guardian	60				

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 37

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

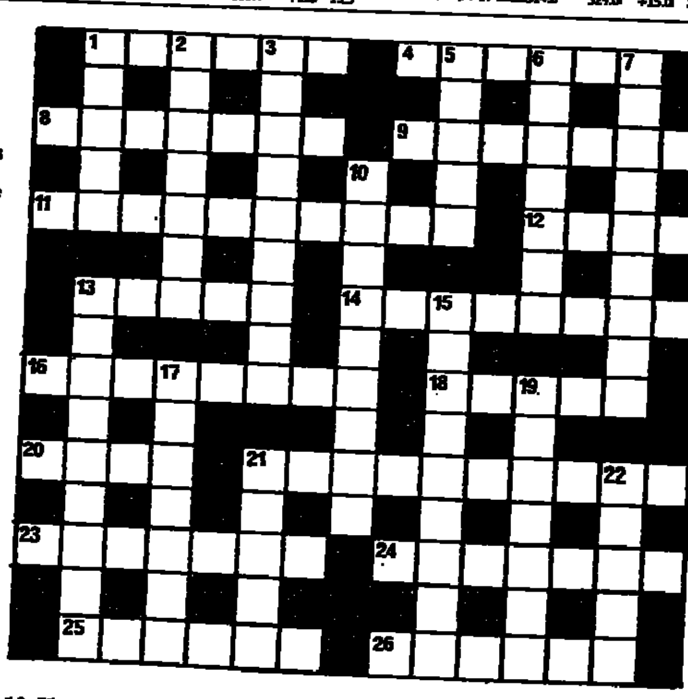
AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

F.T. CROSSWORD PUZZLE No. 5,696



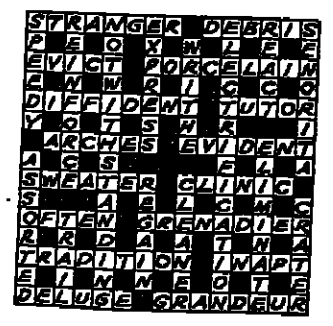
ACROSS

1 One in the biology class is very bright (6)
4 Himalayan turn of phrase (6)
8 Money making gifts (7)
9 The fighter's craft (7)
11 Rich and of high standing? (4-6)
12 I return to a character of little importance (4)
13 Set method of communication (5)
14 Boy is getting cocktails (8)
16 French leader who turned an East European on (8)
18 It's bound to be a shock (5)
20 Number not in style, what an eyesore (4)
21 Not a direct form of slander (10)
23 Come back right away with a new cover? (7)
24 Marked dates in wrongly (7)
25 Fan set out for tie (6)
26 Coming for a time before Christmas (6)

DOWN

1 The elegance of a famous cricketer (5)
2 Poverty led to being irritated (7)
3 In great difficulty, but the flag is still flying (2, 3, 4)
5 Set great store by (5)
6 A cross in Italy shows where a composer is buried (7)
7 One who is may not understand too much of a good thing (1, 3, 5)
10 How the heat can knock one out (9)
13 Boars feet cooked as traditional English fare (5, 4)
15 Jack took a break outside and then went back to work (9)
17 The coolest wild cats? (7)
19 One must do it to survive (7)
21 Poet is soundly swindled (5)
22 Patent feature of a hover-train (5)

Solution to Puzzle No. 5,695



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management◊
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.31		-0.05	

Inv Adv. M & G. Inv Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM 0624 25015

Wren Com. Fund	12.8	13.4		0.00
Chinese Fund	59.5	62.0		0.00
Precious Metal Fund	69.5	72.4		0.00
Vanguard Cmdy Fd	19.3	19.8	..	0.00
Financial Futures Fd.	31.6	33.0		–

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd.		58.48	-0.03	–

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST 01-236 0952				
Call Fnd	13.40	10.02	14.92	6mth
7-day Fnd	13.37	9.64	14.64	6mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	13.11	9.80	14.49	6-Mth
7-day Fund	12.88	9.63	14.33	6-Mth
Dollar	7.06	–	–	6-Mth
Money Mngt Acct.	12.75	9.53	14.32	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Aitken Hume				
30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc.	13.00	9.72	14.33	Qtr
Mth. Int. Chq.	12.875	9.63	14.35	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH 01-628 8060				
Cheque Acc.	12.40	9.26	13.80	Min
Barclays Prime Account				
PO Box 125, Northampton 0604 252891				
High Int Cheque	12.75	9.50	14.28	Qtr
Britannia Grp of Investment Companies				
29 Finsbury Circus, EC2M 5QL 01-588 2777				
Cater Allen	12.50	9.34	13.94	Mth
Charterhouse Japhet plc				
1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	12.75	9.53	14.23	Mth
U.S. Dollar	8.00	5.98	8.30	Mth
German Marks	5.0	3.74	5.12	Mth
Swiss francs	3.00	1.50	2.02	Mth
Japanese Yen	5.00	3.74	5.12	Mth
Co-operative Bank				
78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £2,500	11.0	8.22	12.11	Qtr
Over £2,500	13.00	9.72	14.40	Qtr
Dartington & Co Ltd				
Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc.	13.50	10.09	15.23	Qtr
Henderson/Bank of Scotland				
38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt Cheque Acc	12.40	9.26	13.80	Mth
Lombard North Central PLC				
17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	13.125	9.81	14.01	–
M & G/Kleinwort Benson				
91-99 New London Rd, Chelmsford 0245 51651				
H.I.C.A.	12.60	9.42	14.07	Daily
Midland Bank plc				
PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	12.04	9.00	13.49	Qtr
Provincial Trust (formerly Choularton)				
30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc.	13.50	10.09	15.41	Mth
Save & Prosper/Robert Fleming				
28 Western Rd, Romford RM1 3LB 0708 66966				
High. Int. Bk. Acc.	12.31	9.20	13.98	Daily
Premier Acc.	12.31	9.20	13.98	Daily
Tyndall & Co				
29-33 Princess Victoria St, Bristol. 0272 732241				
Demand Acc	12.70	9.49	14.25	Qtr
Money Acc.	12.87	9.62	14.47	Qtr
J. Henry Schroder Wagg & Co Ltd				
Enterprise House, Portsmouth 0705 827733				
Special Acc.	12.50	9.34	14.19	Mth
Over £10,000	12.75	9.53	14.50	Mth

NOTES—Gross rate to those exempt from composite rate of tax. Net actual rate after deduction of CRT. Gr Equiv CAR Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr frequency interest credited

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

EEC boosts hopes for beef market

By Andrew Gowers

THE European Commission provided a ray of hope for the EEC's surplus-ridden beef market yesterday, saying that production should fall and prices rise in the second half of this year.

The market has been depressed recently by a cyclical rise in production and a wave of cow cullings as a result of the imposition of milk quotas.

However, Dr Tom O'Dwyer, head of the commission's livestock division, said the market should show a substantial improvement after June.

Speaking at the Meat and Livestocks Meat International Conference at London's Heathrow Airport, Dr O'Dwyer said total EEC beef and veal production in 1985 was now estimated at 7.25m tonnes, compared with 7.5m last year.

Output would continue to rise—by about 2 per cent—until June, but would fall by 7.5 per cent in the second half. Cow cullings would increase by 3 per cent in the first half and drop by 10.5 per cent in the second.

With consumption continuing to rise and exports remaining around last year's healthy level, this should result in a 4 per cent price rise for the year as a whole, although in real terms, that meant no improvement over last year's low prices, he said.

The European beef market was saved from worse trouble last year only by a record level of exports, totalling 800,000 tonnes and making the Community the world's biggest beef exporter for the first time.

However, the high level of stocks created by last year's emergency measures to mop up the surplus is continuing to overhang the market. EEC intervention stocks of beef totalled a record 665,000 tonnes at the end of last year, and Dr O'Dwyer said trade interest in the Commission's recent efforts to dispose of intervention stocks had been "disappointing."

NZ and Iran to sign barter deal

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND is about to sign a barter deal with Iran through which it will trade 30,000 tonnes of butter, worth about NZ$ 80m (£29m), for oil.

There have already been two successful oil-for-lamb barter deals between New Zealand and Iran, but this is the first barter deal with Iran to be arranged by the New Zealand Dairy Board.

The deal will be similar to the sale of 100,000 tonnes of lamb to Iran in exchange for oil a few months ago. The oil went to an international oil dealer who sold it and transmitted the proceeds to New Zealand.

The dairy board will use the meat board's expertise in arranging the oil transaction.

New Zealand has already sold Iran 30,000 tonnes of butter in the season ending next month. This was paid for under normal contract arrangements. The butter involved in the barter deal will be shipped next season.

New Zealand butter has previously been shipped to Iran through Turkey to avoid the Gulf war zone.

The dairy board says this is a new venture and that five years ago it would not have considered such a barter deal. Now, however, it had to take advantage of any opportunity to dispose of the country's butter stock.

Iran has a shortage of overseas earnings and the barter deal will help New Zealand hold the Iran market for butter.

● Venezuela has banned imports of skimmed milk and butter oil and has suspended imports of 26 per cent fat content powdered milk to stimulate the consumption of locally-produced milk, Sr Felipe Gomez Alvarez, the Agriculture Minister, announced in Caracas.

The restrictions have been imposed to help reduce a milk surplus caused by an increase in producer prices and a 100 per cent rise in retail prices last August, he said.

Soya oil and meal price differential 'will narrow'

BY NANCY DUNNE IN WASHINGTON

THE misalignment between soya oil and meal prices will begin to shift in the next few months as oil prices dip and demand for meal rises, according to Mr John Urbanchuk, economist at Wharton Econometric Associates.

Writing in Wharton's Agri-View publication, Mr Urbanchuk says that soyabean oil premiums, now at their highest levels since the early 1970s, will begin to weaken with the bean harvest in Brazil and Argentina, where good crops are anticipated.

Meal prices, which have been depressed, should turn around with the livestock herd expansion in both western and eastern Europe. The extent of pig herd growth in the U.S. remains the big question, however, said Mr Urbanchuk, because some U.S. producers are being constrained by tight credit.

EEC pig production reached a record 79.7m head in January. Changes in the Community's dairy programme, which resulted in a 3.5 per cent liquidation of dairy cows, will enhance the shift to pork production, he says.

In Eastern Europe, each country built up livestock herds last year except Czechoslovakia, and all increased meat production.

He projects average soyameal prices for 1984-85 to decline by almost 30 per cent to $133.30. However, by 1985-86 he predicts an 8.2 per cent price rise.

Malaysia reforms export duty on rubber

THE Malaysian Government yesterday announced reforms to the export duty on rubber which was expected to save producers 200m-300m ringgit (£63m-£Vm) in taxes this year.

The biggest change is that the threshold price, above which export duty is charged, is to be raised from 180 cents a kilo to 210 cents. This means that at present price levels, Malaysian rubber producers will not have to pay any export tax.

The changes reflect the declining importance of rubber to the expanding and diversified Malaysian economy and the Government's view that export duty from rubber is no longer a major source of revenue.

Last year Malaysia exported 1.6m tonnes of rubber, from which the government collected 186m ringgit in export duty. This represented 0.89 per cent of total government revenue.

● SUGAR prouction in the EEC could fall by about 2.6 per cent to 12.188m tonnes in the 1985-86 marketing year, according to a preliminary estimate by S. and W. Berisford, the owners of British Sugar. Because of a large carry-over of "C" sugar from this year, however, this is unlikely to reduce the overall amount of sugar available for export on to the oversupplied world market, the company says.

Exports in 1985-86 (October-September) are forecast at about 4m tonnes, unchanged from this and previous years. Plantings are likely to fall by about 1.5 per cent to about 1.7m hectares this spring.

● EEC Commission granted export licences on 44,700 tonnes of white sugar and 3,000 tonnes of raw sugar at its weekly tender in Brussels yesterday.

● DUTCH and Irish dairy farmers will have to pay fines for breaching production targets introduced last year to drain the EEC's "milk lake," officials said yesterday. Only farmers from these two member states appeared to have breached quotas set under the milk "super-levy."

A special correspondent looks at the prospects for this year's crop

Brazil picks wrong time for cotton boom

BRAZIL is heading for a record cotton crop at a time when the world market is suffering from a surfeit in supplies.

This year's Brazilian crop will be about 850,000 tonnes, at least 50 per cent above last year's. This means it will have more than 400,000 tonnes available for export, since there is a 160,000-tonne carry-over from last year.

Good prices paid last year, following a shortage of cotton early in the year, encouraged plantings in the south of the country. After several years of severe drought in the north-east, production there was almost three times what it had been in 1983.

Consumption by Brazil's textile industry is unlikely to be greater than 550,000 tonnes, and could be significantly less if the U.S. carries out its threat to restrict textile imports from Brazil.

The Government has said that it is in a position to finance the export of only 50,000 to 60,000 tonnes of plumed cotton this year. This commitment may also be revised by the incoming administration, which has set itself firmly against increased spending.

Encouraged by good world prices, Brazil exported a record 180,000 tonnes of cotton in 1983, exhausting stocks and causing a shortage in the domestic textile industry.

Demand from industry had shrunk considerably from the hectic years of the late 1970s, when home consumption was growing by at least 5 per cent. Demand for cotton had reached 600,000 tonnes in 1981, but it fell back to 500,000 tonnes in the following year.

Faced with the cuts at home, the textile industry responded to encouragement from the Government and the stimulus of a major devaluation, and began to export more, particularly to the U.S. Exports were up by at least 25 per cent last year, and after a couple of slack years, demand by industry again reached between 550,000 and 600,000 tonnes.

The shortage of cotton in Brazil last year caused prices to rise, and only 38,000 tonnes of cotton was exported. The high price encouraged big increases in planting in the south.

At the same time the five-year drought in the north-east came to an end. Traditionally a grower of arboric, or perennial tree cotton, which has a long fibre, the region has men...... fibre, the region has been gradually switching to the higher-yielding bush cotton. Output in the region's five cotton-growing states was nearly 200,000 tonnes, compared with less than 80,000 tonnes in 1983. Output this year could be higher still.

Brazil's record production coincides with a period of heavy surplus in the world cotton markets. Even countries such as China, previously regular customers for Brazilian cotton, have switched to exporting.

The world price has dropped to such an extent that prices paid to Brazilian growers are now about 30 per cent above the world price. It would cost the Government $100m (£78m) to buy and stock all the cotton at the price agreed when it was planted.

Meanwhile, Brazilian cotton has been hit by boll weevil. Farmers and processors say it can be controlled, but it means that a crop which already has to be sprayed two or three times will now have to be sprayed twice more, increasing costs significantly.

An attempt has been made to curb the weevil by establishing a cordon sanitaire around the areas of Sao Paulo state where it was first located. This, however, has been only partially successful. About 350,000 hectares have been affected by the weevil over the whole country—about 10 per cent of the cotton growing area.

If Brazil's textile industry has been able to help growers by absorbing a steady 550,000 tonnes of cotton in recent years, there is concern that the proposals for textile import restrictions by the U.S could hit hard. The latest suggestion is that Brazil's share of U.S. textile consumption should be cut from last year's 1.9 per cent to 1.25 per cent.

Pakistan has booked 1.8m bales of raw cotton, valued at about $330m (£259m), for export this season, writes Mohammed Aftab in Islamabad.

The state-owned Cotton Export Corporation said it had booked 400,000 bales for export during the first week of April alone. It had a carry-over of 200,000 bales when the season started, it said, and had bought 2.8m bales from domestic cotton growers out of a crop of 5.2m bales.

This crop contracts with a 2.9m bale crop in 1983-84, when cotton was hit by pests and drought. The Washington-based International Cotton Advisory Committee, however, estimates Pakistan's 1984-85 crop at 4.7m bales.

The Cotton Export Corporation had planned to export 1.6m bales this year

The country may end up exporting 2.2m bales. The corporation expects to close deals for export of another 300,000 to 400,000 bales in the coming weeks.

The Pakistani cotton yarn and textile mills have purchased 300,000 bales from the corporation. The total domestic consumption of cotton by these mills is estimated at 2.8m to 2.9m bales this year, leaving a potential carry-over of some 600,000 bales.

Traders said that export sales this season were closed at 50 cents a lb for 1-in staple-length cottoy, the corporation had started the season by selling at 52-54.5 cents a lb, but the price later fell to 44-44.5 cents a lb.

U.S. oil stocks down

BY NANCY DUNNE IN WASHINGTON

U.S. OIL stocks continued to fall last week with the exception of distillate fuel oil stocks. With the end of winter demand, these rose by 1.1m barrels to nearly 100m barrels, according to the American Petroleum Institute.

In keeping with the trend towards keeping lower reserves on hand, distillate stocks were 2.1m barrels below their levels this time last year.

Crude oil stocks fell by 1.6m barrels last week to 329m barrels, more than 17m barrels below last year's figure. Gasoline stocks, lagging almost 33m barrels behind last year's figure, stood at 216.8m barrels, down 3.2m from last week.

Residual fuel oil stocks fell by 1.3m barrels last week to 43.9m. Crude oil imports were about 1.5m barrels, down 1.1m barrels from the previous week and 1.5m barrels from 1984.

The downward trend of consumer energy prices continued in the U.S. last year, according to the institute.

China wool market hopes

CANBERRA — The Australian wool industry sees China as the most positive market development prospect to take it into the next century, Mr David Asimus, chairman of the Australian Wool Corporation, said yesterday.

Mr Asimus was at a meeting with Hu Yaobang, the Chinese Communist Party's general secretary, members of Australia's Economic Planning Advisory Council, and Australian business leaders in Canberra.

He said he expected joint ventures between Australian and Chinese woollen mills to be developed in both countries during the next decade.

China's imports of Australian wool had risen to about 35m kg in recent years from about 3m in the early 1970s, Mr Asimus said. China had become a net consumer of wool in spite of forecasts that it would flood the consuming countries with wool products.

Australia and China had agreed to set up a joint study into co-operation in the wool industry, Mr Asimus said. Reuter.

LONDON MARKETS

CONCERN about the availability of supplies for nearby delivery continued to affect the London Metal Exchange copper market yesterday. Cash high-grade copper moved up £17.50 to £1,216.50 a tonne, widening the premium over the three-months quotation to £25.25 a tonne.

Stocks of copper in LME warehouses are only just above the lowest level for 11 years in spite of a modest rise last week.

Other LME base metals prices were lower—notably tin, which ended £190 down in the cash standard grade osition at £9,335 a tonne. Dealers said tin's fall reflected a decline in the Malaysian market and some investment fund selling.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Apr. 17 1985	+ or —	Month ago
Aluminium	£1100		£1100
Free Mkt	$1155/55		$1150/150
Copper			
Cash h Grade	£1216.5	+17.5	£1218.5
3 mths	£1191.25	+6.75	£1258.75
Gold troy oz	$328.25	+2	$322.5
Lead Cash	£306.5	—6.5	£304.5
3 mths	£304.25	—5.25	£315.75
Nickel			
Free Mkt	258/268c		237/267c
Palladium oz	$112.00	—2.25	$112.75
Platinum oz	$267.25	+1.5	$271.00
Quicksilver†	$280/290		$285/295
Silver troy oz	502.20p	—14.95	565.10p
3 mths	517.05p	—15.10	583.00p
Tin cash	£9335.0	—190	£9885
3 mths	£9312.5	—185.0	£9912.5
Tungsten	$77.70		$76/70
Wolfram 22 04lb	$74/78		$75/78
Zinc	£707.5	—0.5	£776
3 mths	£697.75	+1.25	£752.75
Producers	$960		$800/840

OILS	Apr. 17 1985	+ or —	Month ago
Coconut (Phil)	$820v		$875
Palm Malayan	$640y	—10	$630
SEEDS			
Copra Phil	$490w		$500
Soyabean (U.S.)	249.5	—0.25	$255.25
GRAINS			
Barley Fut. Sep	£98.80	+0.40	£117.05
Maize	£151.00	—	£151.00
Wheat Fut. July	£123.10	—0.30	£120.00
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. July	£1889.0	+1.5	£2127.5
Coffee Ft. July	£2094.5	—2.5	£2309.5
Cotton A Index	66.05c	+0.20	67.05c
Gas Oil May	$225.5		$228.25
Rubber (kilo)	65.5p	—0.5	67p
Sugar (raw)	$104.0wz	—0.5	$113
Wooltops 64s	488pkilo		522pkilo

‡ Unquoted. w April-May. z June. y May. v March-April. † Per 76-lb flask. c Cents a pound.

INDICES

FINANCIAL TIMES

April 16	April 15	M'th ago	Year ago
295.15	295.53	301.61	305.62

(Base: July 1 1952 = 100)

REUTERS

Apr. 17	Apr. 16	M'th ago	Year ago
1882.4	1886.9	2020.7	2000.4

(Base: September 18 1931 = 100)

MOODY'S

Apr. 12	Apr. 11	M'th ago	Year ago
962.0	961.9	950.8	1,082.8

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Apr. 15	Apr. 11	Month ago	Year ago
Spot	—	121.39	116.30	142.11
Fut.	123.55	124.90	120.41	144.07

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1210 2	+15.7	1216-7	+17.5
3 months	1184.5	—1.5	1191-.5	+6.75
Settlem't.	1212	+16.5	—	—
Cathodes.				
Cash	1195-1203	+10.5	1202-6	+13.0
3 months	1190 5	+4.0	1197-202	+6.5
settlem't.	1203	+11.0	—	—

Amalgamated Metal Trading reported that in the morning Three months higher grade traded at £1,184, £1,211, three months £1,185, 86, 88 5, 86, 85. Kerb: Higher Grade: Three months £1,185, 87, 86 5, 87, 88, 89. Afternoon: Higher Grade: Three months £1,193, £1,193, 92, 94, 92, 91 5, 91. Kerb: Higher Grade: Three months £1,196, 95, 95.5, 95, 94, 93, 93.5, 94, 94.5, 94. Turnover: 15,725 tonnes. U.S. Producers: 71.00-74.50 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	861-2	—	866.7	—2.5
3 months	883-4	—0.25	888-9	—2.75

Aluminium—Morning: Three months £884, 85, 885, 84, 83. Kerb: Three months £884, 85. Afternoon: Three months £886, 85, 84, 84.5, 887, 88, 89, 88 5. Three months £891, 92, 91, 90, 89, 87, 86, 85, 87.
Turnover: 6,200 tonnes.

NICKEL

NICKEL	a.m. Official (£)	+ or — (£)	p.m. Unofficial (£)	+ or —† (£)
Spot	4210-15	—55.0	4240-50	—15.0
3 months	4195-4200	—55.0	4210-15	—45.0

Nickel—Morning: Three months £4,200, cash £4,200, 05, three months £4,195, 4,200. Kerb: Three months £4,200. Afternoon: Three months £4,215, cash £4,240, 3 months £4,215, 10. Kerb: Three months £4,220, 15.
Turnover: 576 tonnes.

GOLD

Gold rose $2 to $328-328½ on the London bullion market. The metal opened at $330½-331¼, the highest level of the day, and then reacted to movements of the dollar on the foreign exchanges. As the U.S. currency recovered from early lows gold declined to be fixed at $327 in the morning. Trading was then fairly steady through to a fixing of $327.25 in the afternoon, before gold closed on a reasonably firm note. The lowest point touched during the day was $326-326½.

GOLD BULLION (fine ounce) Apr. 17

GOLD AND PLATINUM COINS

TIN

LEAD

ZINC

SILVER

Silver was fixed at 14.95p an ounce lower for spot delivery in the London bullion market yesterday at 502.2p. U.S. cent equivalents of the fixing levels were: spot 645.1c, down 13.4c; three-month 658.4c, down 16.5c; six-month 672.65c, down 19.15c; and 12-month 706c, down 22.05c. The metal opened at 508-511p (645-657c) and closed at 508-511p (651-654c).

COCOA

Prices began weaker then due and remained within a narrow range. Origins were withdrawn but some manufacturer price fixing was noted, reports Gill and Duffus.

COFFEE

After opening £15-20 lower against stronger sterling, prices rallied to unchanged on profit-taking, reports Drexel Burnham Lambert. Easier sterling encouraged gains of £7-11 before trade and commission house selling prompted a minor retracement.

GRAINS

Old crop wheat rose 35p on follow-through buying, but came under mixed selling pressure to drift for the rest of the day. Barley drifted on lack of fob interest. New crop wheat was fairly static but barley rallied on shipper buying interest, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
May	119.10	—0.30	115.60	—0.65
July	123.10	—0.30	—	—
Sept.	99.40	—	98.80	+0.40

PIGMEAT

Prices opened and closed unchanged in very thin volume with no origin or speculative interest, reports CCST Commodities.

POTATOES

Short-covering in old crop April rapidly lifted values in thin volume. New crop also rose: partly in reaction to recent heavy losses; partly in response to planting figures which appear low when compared with the previous three seasons, reports Coley and Harper.

COTTON

LIVERPOOL — Spot and shipment sales amounted to 144 tonnes. Trading was on reasonable levels with interest shown in West African, Russian and American growths.

OIL

Crude oil trading was thin in a market still lacking direction. Early May Forties traded on Tuesday at $28.20, 25c below compadable Brent. Nymex WTI traded unchanged at noon EST. In the petroleum products market gasoil was again thin. EEC-qualified gas oil weakened in North-West Europe and the Mediterranean in the face of good supply and poor end-user demand—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—May		
Arab Light	27.60 27.70	—
Arab Heavy	26.30 26.40	—0.05
Dubai	26.65 26.75	—
Brent Blend	27.85 27.95	—
*Forties	—	—
W.T.I. (1pm est)	29.00-29.10	—
Forcados (Nigeria)	28.10-28.20	+0.10
Urals (cif Med)	27.40 27.60*	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	284-286	—2
Gas Oil	227-228	—
Heavy fuel oil	161-163	—1

*April

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	Business Done
	$ U.S. per tonne		
April	228.25	—1.00	228.25-27.75
May	225.50	—	225.50-24.25
June	222.00	—0.75	222.25-22.25
July	221.75	—1.25	222.25-21.00
Aug	225.00	—0.55	226.00-20.75
Sep	226.50	—1.50	226.50
Oct	228.50	—0.50	—

RUBBER

PHYSICALS—The London market opened unchanged, drifted lower throughout the day and closed on an easier note, reports Lewis and Peat. Closing prices (buyers) spot 65.50p (66.00p); May 66.50p (66.75p); June 67.00p (67.25p). The Kuala Lumpur fob price for RSS No. 1 was 193.25 (194.5) cents a kg and for SMR 20 was 194.0 (195.0).

SOYABEAN MEAL

The market opened £1.50-2.00 lower, reports T. G. Roddick. Prices then steadied before increasing in very heavy volume due to consumer selling.

SUGAR

LONDON DAILY PRICE—Raw sugar: $104.00 (£81.00), down 50c (unchanged) a tonne for April/May-June delivery. White sugar: $134.00, up $1.00.

Tate and Lyle delivery price for granulated basis sugar was £188.00 (£189.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for April 10: Daily price 3.49 (3.53); 15-day average 3.67 (3.69).

U.S. MARKETS

PRECIOUS METALS sold off as the dollar rallied late in the day and on indications that the strength in the U.S. economy is greater than has been anticipated, reports Heinold Commodities. Copper came under pressure from arbitrage dealings and commission house profit-taking. Sugar traded moderately lower on indication of favourable growing weather in Brazil. Coffee recovered slightly on short-covering from an oversold position. Cotton declined sharply as export demand continued to lag and on expectations of a further build-up in certified stocks. Heating oil retreated as the tightness in the spot market formed a secondary factor to a turn in the weather toward warmer than usual temperatures. The grains traded mixed in a narrow range of selling related to lower currencies and commercial buying in the face of low farm movement.

Yesterday's closing prices for U.S. markets were not available for this edition. Those shown here are Tuesday's.

NEW YORK

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
May	68.05	68.25	67.45	68.37
July	66.54	66.74	66.41	66.80
Oct	65.05	65.45	65.05	65.45
Dec	65.10	65.40	65.06	65.33
March	66.36	66.46	66.36	66.51
May	67.06	—	—	67.07
July	67.30	67.80	67.65	67.80

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	65.50	66.55	65.40	65.90
June	65.90	—	—	66.30
July	66.25	67.25	66.15	66.65
Sept	66.50	67.35	66.50	66.85
Dec	66.85	67.60	66.80	67.10
Jan	66.95	—	—	67.20
March	67.20	67.70	67.35	67.40
May	67.60	68.15	67.80	67.65
July	68.00	68.70	68.25	68.00

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	3.81	3.85	3.61	3.83
July	3.81	4.06	3.75	4.04
Sept	3.99	4.18	4.00	4.19
Oct	4.07	4.32	4.05	4.30
Jan	4.52	4.70	4.48	4.71
March	4.99	5.18	4.96	5.17
May	5.22	5.39	5.22	5.37
July	5.43	5.60	5.43	5.58

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	60.87	62.00	60.85	61.95
June	63.20	63.85	62.90	63.72
August	63.97	64.50	63.75	64.50
Oct	62.62	62.90	62.45	62.96
Dec	63.65	63.90	63.45	64.00

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	361.5	366.2	361.4	363.6
July	332.4	335.0	332.2	333.4
Sept	332.6	334.4	332.4	332.8
Dec	343.2	345.4	343.0	344.0
March	349.4	351.0	349.0	349.0
May	347.4	347.4	347.4	344.0

SPOT PRICES—Chicago loose lard 23.50 (23.00) cents per pound. New York tin 557.0-85.0 (566.0-85.0) cents per pound. Handy and Harman silver bullion 651.5 (664.5) cents per troy ounce.

OTHER MARKETS

MEAT

MEAT COMMISSION—average fatstock prices at representative markets. GB—Cattle 94.81p per kg lw (—0.52). GB—Sheep 244.12p per kg est dcw (—10.09). GB—Pigs 77.18p per kg lw (—1.37). GB—AAPP 102.39p per kg dw.

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 74.0-81.0; English hindquarters 92.0-98.0; Ulster forequarters 48.5-51.0. Veal—Dutch hinds and ends 124.0-127.0. Lamb—English small (new season) 115.0-130.0, medium (new season) 115.0-128.0, heavy (new season) 115.0-125.0; Imported: New Zealand PL (new season) 67.0-68.0, PX (new season) 65.0-66.0. Fat Sheep—English 100.0-110.0. Pork—English under 100 lb 46.0-58.5, 100-120 lb 53.0-58.0, 120-160 lb 42.0-49.0.

HIDES

HIDES—Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 108.6p a kg withdrawn (109.1p); 26-30.5 kg, 117.0p a kg (116.0p withdrawn); 22-25.5 kg, 127.0p a kg (128.5p). Cows: under 25.5 kg, 126.7p a kg withdrawn (127.1p).

PARIS

SUGAR—(FFr per tonne): Aug 1255-1256, Oct 1291-1300, Dec 1340-1360, March 1435-1445, May 1480-1500, Aug 1545-1570.

COCOA—(FFr per 100 kg): May 2218-2220, July 2220 bid, Sept 2163-2170, Dec 2060 bid, March 2080 bid, May 2090 bid, July 2090 bid.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business). New Zealand cents per kg. May 512, 515, 515-512; Aug 532, 534, 535-534; Oct 534, 536, 535-537; Dec 535, 537, 540-537; Jan 535, 538, 541-538; Mar 546, 550, 549-546; May 551, 556, 550-555; Aug 565, 569; Oct 567, 571, 570-569. Sales: 128.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar resists at DM3.00

The dollar traded steadily around DM 3.02-3.03 for most of the European day. This was slightly below Tuesday's level, but well above the low of DM 2.9870 touched in early trading. The sharp fall followed selling of the dollar in the Far East, on speculation the Federal Reserve Board may have eased its monetary policy in the face of slower U.S. economic growth. The U.S. central bank injected $2bn of permanent reserves into the New York banking system on Tuesday, and although this may have been a technical move it led to a fall in the Federal funds overnight rate and lower Euro-dollar rates.

The level of DM 3.00 is proving an important resistance point however, and the dollar soon rebounded from its lows, and showed little reaction to an anticipated rise of 0.5 per cent in March U.S. personal income and a fall of 0.5 per cent in personal spending.

There was reluctance to take out new positions ahead of today's revised first quarter gross national product announcement. The earlier flash estimate suggested growth of 2.1 per cent, but the latest forecasts vary considerably between about 1 per cent and 3.5 per cent, although dealers fear the figure will be on the low side.

The dollar fell to DM 3.0265 from DM 3.03; FFr 9.23 from FFr 9.2475; SwFr 2.5250 from SwFr 2.5295; and Y249.35 from Y249.50.

On Bank of England figures the dollar's index rose to 144.1 from 144.0.

STERLING — Trading range against the dollar in 1985 is 1.2785 to 1.0525. March average 1.1260. Exchange rate index rose 0.3 to 79.4. It also opened at 79.4, and touched an early peak of 79.6 at 9 am, but after falling back to 79.4 at 11 am showed little movement for the rest of the day.

Sterling tended to drift down slowly after a strong start, but finished slightly higher on the day. The pound remains supported by high London interest rates, although a further cut to 12½ per cent in bank base rates has probably been discounted. Sterling touched a peak of $1.2965, but closed only 35 points up at $1.2780-1.2790. This was the highest level since mid-September, and the pound also advanced to DM 3.87 from DM 3.8575; FFr 11.7950 from FFr 11.7825; SwFr 3.23 from SwFr 3.2150; and Y319 from Y318.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 3.0250. March average 3.2972. Exchange rate index 122.6 against 120.4 six months ago.

The D-mark lost ground to the dollar, to close in Frankfurt at DM 3.0250 compared with DM 3.0130 previously. This was after the dollar opened very weak, falling to a low of DM 2.9870, following selling of the U.S. currency in the Far East as U.S. interest rates showed an easier trend. This fall to a five-month low encouraged profit taking and the closing of short positions, ahead of today's revised first quarter U.S. GNP figure. Stop loss orders were also triggered by the sharp decline, but once this trade was out of the way the market calmed down and remained quiet but nervous for the rest of the day. U.S. personal income and personal spending figures had little impact. The Bundesbank did not intervene when the dollar was fixed at DM 3.0220 in Frankfurt, compared with DM 3.0090 on Tuesday.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.1367	+0.53	+0.65	±1.5522
Danish Krone ...	8.14104	8.04726	−1.15	−1.03	±1.6419
German D-Mark	2.24184	2.23942	−0.11	+0.01	±1.1475
French Franc ...	6.87456	6.83310	−0.60	−0.48	±1.3669
Dutch Guilder ...	2.52595	2.53352	+0.30	+0.42	±1.5171
Irish Punt	0.72569	0.715053	−1.47	−1.35	±1.6703
Italian Lira	1403.49	1431.96	+2.03	+2.03	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	April 17	Previous
8.30 am	79.4	79.6
9.00 am	79.6	79.4
10.00 am	79.5	79.4
11.00 am	79.4	79.3
Noon	79.4	79.3
1.00 pm	79.4	79.3
2.00 pm	79.4	79.2
3.00 pm	79.3	79.2
4.00 pm	79.4	79.1

£ IN NEW YORK

	April 17	prev. close
£ Spot	$1.2750-1.2745	$1.2850-1.2860
1 month	0.49-0.47pm	0.46-0.45pm
3 months	1.16-1.12pm	1.14-1.12pm
12 months	2.25-2.10pm	2.05-1.98pm

Forward premiums and discounts apply to the U.S. Dollar.

POUND SPOT—FORWARD AGAINST POUND

April 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.2736-1.2966	1.2780-1.2790	0.48-0.45c pm	4.36	1.16-1.11pm	3.56
Canada	1.7289-1.7492	1.7290-1.7330	0.47-0.38c pm	2.95	1.10-0.97pm	2.39
Nethlnd.	4.34¾-4.40	4.37-4.38	2¼-2⅛c pm	6.00	6-5⅝pm	5.31
Belgium	77.39-78.57	77.90-78.00	23-18c pm	3.16	53-44pm	2.49
Denmark	13.83¾-13.94	13.88½-13.89½	4½-3¼ore pm	3.24	8-6⅞pm	2.14
Ireland	1.2300-1.2392	1.2340-1.2350	0.05p pm-0.05 dis	—	0.06pm-.13d	−0.11
W. Ger.	3.83¾-3.88¾	3.86½-3.87½	2½-2¼pf pm	7.17	6¾-6pm	6.33
Portugal	214-223½	214-218	145-535c dis	−18.89	510-1545dis	−19.03
Spain	215-216	215-215½	par-15c dis	−0.42	60-95dis	−1.44
Italy	2,457½-2,481¼	2,474½-2,475½	par-4 lire dis	−0.97	10-16dis	−2.02
Norway	11.16½-11.22½	11.16½-11.17½	¼ore pm-½ dis	−0.13	¼-1¼dis	−0.27
France	11.72¼-11.85¾	11.79-11.80	2⅝-2¼c pm	2.42	5¼-4¾pm	1.61
Sweden	11.28½-11.34¾	11.28½-11.29½	½-1¼ore dis	−0.86	3⅞-4⅞ dis	−1.53
Japan	317¼-321¼	318½-319½	190-170y pm	6.77	480-460pm	5.89
Austria	27.12-27.26	27.15-27.25	14-12¾gro pm	5.87	35½-31⅞pm	4.93
Switz.	3.19¼-3.23½	3.22½-3.23½	2⅞-2⅝c pm	8.13	5¾-5½pm	6.97

Belgian rate is for convertible francs. Financial franc 78.35-78.50. Six-month foward dollar 1.79-1.74c pm, 12-month 2.20-2.05c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

April 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.2735-1.2965	1.2780-1.2790	0.48-0.45c pm	4.36	1.16-1.11pm	3.55
Ireland†	1.0310-1.0475	1.0350-1.0360	0.40-0.35c pm	4.35	1.00-0.90pm	3.67
Canada	1.3540-1.3585	1.3560-1.3575	0.16-0.19c dis	−1.55	0.38-0.42dis	−1.18
Nethlnd.	3.3780-3.4310	3.4210-3.4220	0.50-0.46c pm	1.69	1.53-1.49pm	1.77
Belgium	60.25-61.15	60.85-60.95	6-7c dis	−1.28	15-17dis	−1.05
Denmark	10.73-10.90¼	10.87¼-10.87¾	½-1ore dis	−0.83	2-2½dis	−0.83
W. Ger.	2.9870-3.0350	3.0260-3.0270	0.76-0.71pf pm	2.92	2.12-2.07pm	2.77
Portugal	168-170½	169-170½	175-475c dis	−22.97	550-1350dis	−22.39
Spain	167.00-169.22	168.30-168.50	65-75c dis	−4.98	200-225dis	−5.04
Italy	1,911½-1,940	1,929½-1,930½	8½-9 lire dis	−5.44	25-26½dis	−5.47
Norway	8.67¼-8.77	8.74¾-8.75¼	3-3½ore dis	−4.46	8-8½dis	−3.78
France	9.12-0.25	9.22¾-9.23¼	1.50-1.60c dis	−2.02	4.30-4.60dis	−1.93
Sweden	8.77½-8.86½	8.84-8.84½	3½-4ore dis	−5.09	11-11½dis	−5.09
Japan	247.90-249.70	249.30-249.40	0.52-0.48y pm	2.41	1.50-1.45pm	2.37
Austria	21.00-21.31	21.25-21.30	3-2½gro pm	1.55	8½-6¾pm	1.39
Switz.	2.4820-2.5300	2.5245-2.5255	0.80-0.74c pm	3.67	2.17-2.10pm	3.39

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.30-61.40.

OTHER CURRENCIES

Apr. 17	£	$		£ Note Rates
Argentina Peso..	504.42-505.27	395.16-395.61	Austria	27.00-27.30
Australia Dollar.	1.9620-1.9670	1.5360-1.5410	Belgium	78.00-79.00
Brazil Cruzeiro...	6,012-6,043	4,710-4,730	Denmark	13.84-13.98
Finland Markka.	8.0835-8.1058	6.3410-6.3430	France	11.76-11.85
Greek Drachma.	167.74-171.40	129.98-132.71	Germany	3.86-3.90
HongKong Dollar	9.9490-9.9690	7.7820-7.7840	Italy	2455-2490
Iran Rial	118.0*	92.10*	Japan	320-324
KuwaitDinar(KD)	0.3835-0.3840	0.30065-0.30075	Netherlands	4.35½-4.40½
Luxembourg Fr	77.90-78.00	60.85-60.95	Norway	11.17-11.28
Malaysia Dollar	3.1230-3.1290	2.4430-2.4460	Portugal	218-224
New Zealand Dlr.	2.7800-2.8300	2.1765-2.1880	Spain	209-218½
Saudi Arab Riyal	4.6065-4.6115	3.6105-3.6110	Sweden	11.25-11.36
Singapore Dollar	2.8150-2.8210	2.2045-2.2075	Switzerland	3.21¼-3.24¼
Sth African Rand	2.4415-2.4635	1.9120-1.9195	United States	1.27½-1.29½
U.A.E. Dirham	4.6850-4.6905	3.6720-3.6730	Yugoslavia	310-360

* Selling rate.

CURRENCY MOVEMENTS

Apr. 17	Bank of England Index	Morgan Guaranty Change %
Sterling	79.3	−10.7
U.S. dollar	144.1	+29.8
Canadian dollar	88.3	−6.2
Austrian schilling	113.2	+3.9
Belgian franc	89.7	−10.7
Danish Kroner	78.0	−5.3
Deutsche mark	122.6	+9.8
Swiss franc	141.8	+8.7
Guilder	112.7	+2.9
French franc	65.3	−15.6
Lira	45.6	−16.7
Yen	154.8	+11.6

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.779988	0.577844
U.S. $	8	0.999958	0.740795
Canadian $	10.32	*	1.00489
Austria Sch.	4½	21.2261	15.7197
Belgian Fr.	11	60.9099	45.1367
Danish Kr.	7	10.8295	8.04726
Dmark	4½	3.02187	2.23942
Guilder	5½	3.41986	2.53352
French Fr.	9½	9.21051	6.83310
Lira	15½	1935.82	1431.96
Yen	5	248.890	184.532
Norway Kr.	8	8.73963	6.47085
Span'h Pta.	—	168.273	124.713
Swedish Kr.	9	N/A	6.54382
Swiss Fr.	4	2.51539	1.86569
Greek Dr'ch	20½	131.824	97.6887
Irish Punt	12¾	0.965210	0.716053

* C$/SDR rate for April 16: 1.36032

EXCHANGE CROSS RATES

April 17	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.279	3.870	319.0	11.80	3.230	4.375	2475.	1.731	77.95
U.S. Dollar	0.782	1.	3.027	249.4	9.230	2.525	3.422	1930.	1.354	60.90
Deutschemark	0.258	0.330	1.	82.43	3.048	0.835	1.130	639.5	0.447	20.14
Japanese Yen 1,000	3.135	4.008	12.13	1000.	36.97	10.13	13.71	7759.	5.426	244.4
French Franc 10	0.848	1.084	3.281	270.6	10.	2.738	3.709	2098.	1.468	66.09
Swiss Franc	0.310	0.396	1.198	98.76	3.652	1.	1.354	766.3	0.536	24.13
Dutch Guilder	0.229	0.292	0.885	72.91	2.696	0.738	1.	565.7	0.396	17.82
Italian Lira 1000	0.404	0.517	1.564	128.9	4.766	1.305	1.768	1000.	0.699	31.49
Canadian Dollar	0.578	0.739	2.236	184.3	6.814	1.866	2.527	1430	1.	45.03
Belgian Franc 100	1.283	1.640	4.965	409.2	15.13	4.144	5.613	3175.	2.221	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	13⅝-13⅞	8⅛-8½	9⅜-9¾	6⅝-6¾	1-1¼	5⅞-5⅞	10⅜-10½	12¾-13¾	9¾-6	9¾-10	6-6⅛	9½-10
7 day's notice	13⅝-13⅞	8⅛-8⅜	9⅝-10	6⅛-6⅜	1-1¼	5⅞-5⅞	10⅜-10½	13¼-14¼	9¾-10	9¾-10	6⅛-6⅛	9½-10½
Month	12⅞-12⅞	8⅛-8⅜	9⅜-9½	6¾-6⅞	4⅞-4⅞	5⅞-5⅞	10½-10⅝	13⅝-14⅛	9¾-10	9¾-10	6⅛-6⅛	9⅜-9⅞
Three months	12⅜-12½	8⅜-8⅝	9¾-9⅞	6¾-6⅞	5-5⅛	5¾-5⅞	10⅝-10¾	13⅞-14⅜	9¾-10	9¾-10	6¼-6⅜	9⅝-10¼
Six months	11⅞-12	8⅝-8⅞	9⅞-10	6¾-6⅞	5⅛-5¼	5⅞-6	10¾-10⅞	14⅜-14¾	9¾-10	9¾-10	6⅛-6⅛	10-10½
One year	11⅝-11⅞	8⅞-8⅞	10¼-10⅞	6¾-6⅞	5⅛-5¼	6-6⅛	11-11¼	14½-15	10⅛-10⅜	10⅛-10⅜	6⅜-6⅝	10-10½

Asian $ (closing rates in Singapore): Short-term 8⁷⁄₁₆-8⁹⁄₁₆ per cent; seven days 8⁷⁄₁₆-8⁹⁄₁₆ per cent; one month 8⁷⁄₁₆-8⁹⁄₁₆ per cent; three months 8⁹⁄₁₆-8¹¹⁄₁₆ per cent; six months 8²³⁄₃₂-8²⁵⁄₃₂ per cent; one year 9⁵⁄₁₆-9⁷⁄₁₆ per cent. Long-term Eurodollars: two years 10½-10⅝ per cent; three years 10⅞-11⅛ per cent; four years 11¼-11⅜ per cent; five years 11¼-11½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates finish above day's lows

Interest rates were marked up towards the end of the day in London. Trading for much of the day was rather quiet and featureless and despite the market's bullish tone, there was little incentive to push rates lower ahead of today's U.S. revised first quarter GNP figures. Consequently hopes of a cut in UK clearing bank base rates may well be a day or two premature.

Three-month interbank money touched a low of 12¼-12⅜ per cent but picked up to 12⅜-12½ per cent, unchanged from Tuesday. Three-month eligible bank bills were bid at 12³⁄₃₂ per cent compared with 12⁵⁄₃₂-12⅛ per cent. Overnight interbank money opened at 13⅝-13¾ per cent and traded around 13½ per cent for much of the day before climbing to a high of 15 per cent. Late balances were bid at 14 per cent.

UK clearing banks base lending rate 12¾-13 per cent since April 12

The Bank of England forecast a shortage of around £550m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £453m and the unwinding of previous sale and repurchase agreements a further £361m. There was also a rise in the note circulation of £25m and banks brought forward balances £80m below target. These were partly offset by Exchequer transactions adding £270m.

The Bank offered an early round of assistance but there was no early help given. Later in the morning the authorities injected £122m through outright purchases of £84m of eligible bank bills in band 1 (up to 14 days) at 12¾ per cent and sale and repurchase agreements on £38m of bills at 12⅞ per cent, unwinding in equal amounts on May 8 and 10.

Further help in the afternoon came to £200m and comprised purchases of £119m of eligible bank bills in band 1 at 12¾ per cent and £5m in band 2 (15-33 days) at 12¾ per cent. It also arranged sale and repurchase agreements on £76m of bills at 12¾ per cent, unwinding in equal amounts on May 8 and 10. Late assistance came to £210m, making a total of £532m.

MONEY RATES

April 17	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.30-5.40	10½	1¼-1¾	6⅝-6⅞	6.03125	15¼-15⅝	9.65	13½-13¾
One month	5.65-5.80	10½-10⅝	4¾-5	6¾-6⅞	6.21875	14⅞-15¼	9¾-10	13⅜-13⅝
Two months	5.75-5.90	10½-10⅝	—	—	—	—	—	13¼-13⅛
Three months	5.85-6.00	10½-10⅝	6⅛-5⅜	6¾-6⅞	6.28125	15⅛-15⅜	9⅞-10⅛	13⅛-13⅜
Six months	5.95-6.10	10½-10⅝	—	6¾-6⅞	—	—	9⅞-10⅛	13-13¼
Lombard	6.0	—	—	—	—	—	—	—
Intervervention	—	10½	—	6⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Apr. 17 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	13½-15	13⅛-13¾	13⅛-13¾	13¼-13⅛	—	—	—	—	—
2 days notice	—	—	13⅛-13⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13⅝-13⅞	13⅛-13½	13⅛-13¾	12⅞-13	—	—	—	—	—
One month	12⅞-12¾	13⅛-13⅞	12⅞	13-13⅛	12½	12⅝	12⅝	12⅝-12⅝	12⅝-12⅝	13⅜
Two months	12⅛-12⅝	12½-12⅝	12⅞	12¾	12¼	12⅞	12⅞	12⅝	12⅝	12⅞
Three months	12⅞-12⅞	12¼-12½	12⅝	12⅛-12⅝	12	12	11⅞	12⅝	11⅞	12⅝
Six months	11⅞-11⅞	11¾-12	11⅞	—	—	—	—	11¾	11⅞	11⅞
Nine months	11⅝-11½	11½-11¾	—	—	—	—	—	—	—	—
One year	11⅛-11⅜	11⅞-11⅞	11⅞	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	13¼-12⅞	—	12⅞	8.35-8.45	8⅛-8⅜	9⅜-9½
Two months	13⅛-12¾	—	12⅝	8.45-8.55	8⅞-8⅞	9⅞-9⅞
Three months	12⅞-12½	—	12⅜	8.5-8.6	8¼-8½	9⅞-9⅞
Six months	12¼-11⅞	—	12	8.7-8.8	8⅝-8⅝	9⅝-9¾
Nine months	12⅛-11⅝	—	11¾	9.0-9.1	—	—
One year	12-11⅝	—	11⅝	9.25-9.35	8¾-9	9⅞-10
Two years	—	11⅞	—	—	—	—
Three years	—	11⅛	—	—	—	—
Four years	—	11½	—	—	—	—
Five years	—	11⅝	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period March 6 to April 2 (inclusive): 13.618 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 14 per cent from April 1, 1985. London and Scottish Clearing Bank Rates for lending 12¾-13 per cent. London Deposit Rates for sums at seven days' notice 7-7¼ per cent (net). Treasury Bills: Average tender rates of discount 11.8926 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13 per cent; one-three months 12½ per cent; three-six months 12¼ per cent; six-nine months 12 per cent; nine-12 months 11¾ per cent. Under £100,000 11 per cent from April 17. Deposits held under Series 5 11¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 17)

Three months U.S. dollars

bid 8 9/16	offer 8 11/16

Six months U.S. dollars

bid 8 13/16	offer 8 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	8⅝
Fed funds at intervention	—

Treasury Bills

One month	7.70
Two month	7.75
Three month	7.79
Six month	8.03
One year	8.26

Treasury Bonds

Two year	101²⁹⁄₃₂
Three year	100¹¹⁄₃₂
Four year	102⁷⁄₃₂
Five year	102⁷⁄₃₂
Seven year	103
10 year	100⁷⁄₁₆
30 year	99²⁹⁄₃₂

FINANCIAL FUTURES

Eurodollars firm

Euro-dollar prices rose in the London International Financial Futures Exchange yesterday, helped by lower cash rates. The rise came despite feelings that the recent firmer trend lacked any period of consolidation but activities in the cash market were sufficient to offset any bearish tendency for the time being.

The firmer trend reflected attempts by the Federal authorities to massage short term liquidity levels, possibly in a desire not to exacerbate current problems experienced by certain sectors of the banking system and also on recent indications that the pace of U.S. economic growth may be slackening.

There was however an unwillingness to indulge too much at the higher levels ahead of today's U.S. revised first quarter GNP figures, the latter having assumed crucial proportions in affecting market sentiment.

Sterling based instruments finished on a weaker note as the market showed some concern over the recent sharp improvement in sterling and its increased vulnerability to a downward correction. The June gilt contract encountered strong resistance around the 107-20 level and drifted away to finish at 107-06, down from 107-16 on Tuesday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	91.03	91.11	91.00	90.92
Sept	90.45	90.56	90.42	90.37
Dec	89.98	90.07	89.94	89.88
March	89.56	89.66	89.56	89.50
June	89.23	—	—	89.17

Estimated volume 6,753 (8,761)
Previous day's open int 17,630 (16,946)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
June	88.41	88.69	88.36	88.57
Sept	89.02	89.25	89.02	89.12
Dec	89.18	89.32	89.18	89.26
March	89.24	89.30	89.24	89.21
June	89.25	89.35	89.25	89.21

Estimated volume 2,743 (2,892)
Previous day's open int 6,494 (6,272)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	107-06	107-22	107-05	107-16
Sept	110-28	110-29	110-28	111-05
Dec	110-28	—	—	111-05
March	110-17	—	—	110-26

Estimated volume 2,412 (2,723)
Previous day's open int 3,522 (3,152)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) −24 to −12 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2725	1.2830	1.2680	1.2685
Sept	1.2650	1.2662	1.2650	1.2615
Dec	1.2610	1.2610	1.2565	1.2580

Estimated volume 1,035 (189)
Previous day's open int 7,658 (6,506)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3323	0.3350	0.3309	0.3327
Sept	0.3347	—	—	0.3351

Estimated volume 102 (182)
Previous day's open int 268 (273)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3983	—	—	0.3995

Estimated volume nil (nil)
Previous day's open int 157 (157)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4028	0.4028	0.4015	0.4023
Sept	0.4054	—	—	0.4049

Estimated volume 1 (3)
Previous day's open int 389 (388)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
June	130.30	130.35	129.00	129.35
Sept	130.95	—	—	130.00

Estimated volume 194 (227)
Previous day's open int 1,063 (1,055)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	71-15	71-28	71-12	71-09
Sept	70-14	70-18	70-14	70-08

Estimated volume 2,295 (2,150)
Previous day's open int 3,051 (3,295)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	71-14	71-17	71-12	71-22
Sept	70-13	70-16	70-11	70-21
Dec	69-17	69-20	69-16	69-25
March	68-24	68-24	68-33	68-31
June	68-00	68-01	68-00	68-08
Sept	—	—	—	67-19
Dec	66-27	66-29	66-27	67-00
March	66-14	—	—	66-15
June	—	—	—	66-00
Sept	—	—	—	—
Dec	—	—	—	65-05

U.S. TREASURY BILLS (IMM)

	Latest	High	Low	Prev
June	91.99	92.03	91.95	92.06
Sept	91.51	91.55	91.50	91.57
Dec	91.08	91.10	91.07	91.14
March	90.72	90.73	90.71	90.77
June	90.43	—	90.43	90.49
Sept	90.19	—	90.19	90.23
Dec	89.96	—	89.96	90.01
March	89.76	—	89.76	89.79

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.41	91.46	91.37	91.46
Sept	90.81	90.81	90.80	90.90
Dec	90.29	90.29	90.27	90.39
March	89.89	89.89	89.87	89.99

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.02	91.09	90.99	91.08
Sept	90.43	90.50	90.40	90.52
Dec	89.93	89.99	89.91	90.02
March	89.52	89.58	89.51	89.62
June	89.18	89.19	89.18	89.28
Sept	—	88.90	88.90	88.98
Dec	88.63	88.63	88.63	88.71
March	88.39	—	88.39	88.45

STERLING (IMM) $e per £

	Latest	High	Low	Prev
June	1.2735	1.2745	1.2665	1.2705
Sept	1.2660	1.2660	1.2590	1.2635
Dec	1.2625	1.2625	1.2580	1.2610
March	—	—	—	1.2265
June	—	—	—	—
Sept	—	—	—	1.2505

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	69-26	69-26	69-24	69-29
Sept	—	—	—	69-06
Dec	—	—	—	68-18
March	—	—	—	—
June	—	—	—	67-16
Sept	—	—	—	67-02

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for April 17.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 88	150	103½	104	+0⅜	+1½	11.21
Austria Rep 13⅝ 92	100	107⅝	108⅛	+0⅜	+1⅛	11.91
Bank Of Tokyo 12⅝ 92	100	102	102½	+0½	+1⅜	12.09
Bank of Tokyo 13⅝ 91	100	107¾	108¼	+0½	+2⅛	11.71
BP Capital 11⅛ 92	150	97⅞	98⅜	+0¼	+1¾	11.52
Caisse Nat Tele 13¾ 91	100	106⅛	106⅝	+0⅛	+2	11.74
Canada 11½ 90	500	101¾	102¼	+0½	+1½	10.94
Canadian Pac 12½ 99	75	103¼	103¾	+0½	+0¾	11.95
CBS Inc 11⅜ 92	100	98¼	98¾	+0⅜	+1⅜	11.65
Chevron U.S.A. 12¼ 89	600	102⅝	103⅛	+0¼	+1⅞	11.35
Coca Cola 11¾ 91	100	102⅝	103⅛	+0⅜	+1½	11.07
Creditanstalt 13⅛ 91	100	104⅛	104⅝	+0⅛	+1⅞	12.06
Denmark Kindom 11½ 92	100	98	98½	+0¼	+1⅜	11.88
Denmark Kingdom 13 91	100	104¾	105¼	+0⅜	+2	11.79
Denmark Kingdom 13¼ 91	100	105¼	105¾	+0⅜	+1⅞	11.94
Denmark 13⅞ 88 XW	100	106¼	106¾	+0⅛	+1⅜	11.36

	Issued	Bid	Offer	Change on day	Change on week	Yield
Walt Disney Pro 12½ 87	150	103¾	104¼	+0¼	+1⅜	10.49
Weyerhaeuser 12¼ 87	150	102⅛	102⅝	+0¼	+0½	11.03
World Bank 12¼ 94	150	103	103½	+0⅜	+1⅜	11.64
World Bank 12⅞ 94	200	106¼	106¾	+0¼	+1⅞	11.67

Average price change On day +0¼ on week +1¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	101½	102¼	+0¼	+0⅝	7.70
Austria,Republic 7⅝ 94	200	100⅝	101⅜	+0¼	+0¾	7.45
Baxter Travenol 7¼ 94	200	98¾	99½	+0⅛	+0⅜	7.38
Credit National 8⅛ 94	200	102¾	103½	0	+0⅞	7.52
Degussa Int Fin 7½ 94	100	100⅝	101⅜	0	0	7.33
E.E.C. 8 92	200	102	102¾	−0⅛	+0⅝	7.53
Escom 8 92	150	100¾	101½	−0⅞	0	7.78
Ferrovie Dello Stato 8 91	100	102¾	103½	+0⅛	+0⅝	7.33
Finland Republic 7 92	200	97½	98	+0⅛	+0¾	7.43

OVER-THE-COUNTER

Continued from Page 42

Stock	Div	Sales (Hnds)	High	Low	Last	Chng
MrldN s	1	519	27⅜	26½	27¼	+½
Mascmp		509	6¼	6	6	−¼
Mscolr		17	43	42¾	43	
Masstor		235	5	4⅝	4⅝	−⅜
MathBx		4	13¾	13¾	13¾	−¼
MatrxS	10	151	26½	26	26½	+¼
Maxcre		607	28	27⅝	27⅞	+⅜
Maxwel		52	13¼	12¾	12¾	
MayPt		17	5⅛	5	5	−⅛
MaySu A	.10a	40	18½	18	18¼	+½
MaynOl		20	4	4	4	+¼
MaysJ		13	10	10	10	−⅜
McCrm	.88	244	34¾	34½	34¾	+¼
McFad		121	11¼	11¼	11¼	
Mueller	1.70	4	22	22	22	+½
Multbk s	.64	1	22½	22½	22½	
Multmd	.68	804	54⅝	54¼	54⅜	−¼
Mylan s		1384	22⅛	21¼	21½	−½
N N						
NCA Cp		7	6	5½	5½	
NMS		754	5¾	5⅝	5⅝	−⅛
Napcol	.40	50	15¼	15⅛	15¼	+¼
Napco s		70	12⅜	12¼	12⅜	
NBnTex	.84	56	19½	19	19	−½
NtCapit	.45e	10	5¼	5¼	5¼	
NCtyBn	1	128	15¾	15	15	−1
NtlCty	2	1751	42⅛	41¾	42	+¼

Indices

NEW YORK-DOW JONES

	April 17	April 16	April 15	April 12	April 11	April 10	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,273.68*	1,269.55	1,266.76	1,265.68	1,263.69	1,259.94	1299.36 (1/3)	1184.96 (4/1)	1299.36 (1/3/85)	41.22 (2/7/32)
Transport	595.88*	598.21	598.31	598.21	588.65	593.11	635.30 (1/3)	553.03 (4/1)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	155.57*	155.78	156.34	155.88	155.72	135.90	156.34 (15/4)	146.54 (4/1)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol		98.4m	80m	86m	108m	108m	–	–	–	–

	Apr 12	Mar 29	Mar 22	Year Ago (Approx)
Ind Div Yield %	4.82	4.82	4.82	4.80

STANDARD AND POORS

	April 17	April 16	April 15	April 12	April 11	April 10	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	202.35*	201.86	201.52	201.18	200.72	199.84	206.15 (1/3)	182.24 (4/1)	205.15 (1/3/85)	3.62 (30/6/32)
Composite	181.57*	181.19	180.92	180.54	180.19	179.42	183.35 (13/2)	163.68 (4/1)	183.35 (13/2/85)	4.40 (1/6/32)

	March 27	March 20	March 13	Year Ago (Approx)
Ind div yield %	3.88	3.88	3.90	3.97
Ind. P/E Ratio	11.14	11.11	11.06	12.25
Long Gov Bond Yield	11.77	11.84	11.83	12.37

N.Y.S.E. ALL COMMON

April 17	April 16	April 15	April 12	1985 High	1985 Low
105.22*	105.02	104.87	104.64	106.88 (13/2)	94.60 (4/1)

RISES AND FALLS

	April 16	April 15	April 12
Issues traded	2,016	1,973	1,983
Rises	781	861	801
Falls	728	641	684
Unchanged	507	471	498

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day
Unocal CP	2,149,000	46⅞	−1⅛
Natl Comy	1,306,600	12⅛	−2½
Philips Pet	1,171,400	40¼	+⅜
Hog Mohwk	1,074,100	18⅛	+⅛
ATT	981,500	20¾	−¼
Texaco	951,700	37⅝	+½
Diam Sham	988,000	19¾	−½
Uniroyal	979,400	20⅜	−½
RCA	880,200	42⅜	+¾
AMR Corp	767,700	42¼	−⅛

Advances 796 Declines 612

TORONTO	April 17	April 16	April 15	April 12	1985 High	1985 Low
Metals & Minls	2,060.6*	2,062.1	2,057.6	2,046.8	2198.7 (13/2)	1800.0 (4/1)
Composite	2,848.4*	2,836.1	2,829.7	2,828.0	2847.0 (5/3)	2340.5 (3/1)
MONTREAL Portfolio	130.5*	n/a	129.69	129.28	132.77 (5/3)	117.00 (4/1)

* Indicates pre-close figure

CAPITAL MARKETS

Eurodollar issues worth $765m flow into market

BY MAGGIE URRY

SPRING seems to be bringing out bond issues in profusion. A total of $765m in Eurodollar issues was launched yesterday, with more in other currencies.

The expected floating-rate note issue for Belgium appeared under the lead of Credit Suisse First Boston. The $300m, 20-year deal pays interest quarterly at ⅛ point over one-month London interbank offered rate (Libor), refixed each month.

Investors who borrow at one-month Libor to fund their holdings lose a few basis points in compounding their interest. But if the yield curve inverts so that six-month rates are lower than one-month, the bond will pay interest at 1/16 over three-month Libor. The issue was quoted within its 40-basis-point gross fees, bid at 99.68, the level at which co-managers own the bonds.

First Chicago also launched a floater, led by Salomon Brothers. This $200m, seven-year issue pays interest every three months at 10 basis points above three-month Libor. Fees total ⅜ per cent, and the issue traded inside that discount, at 99.70.

A third floater, raising $40m for the Danish Jyske Bank, was led by Nomura International.

Denmark followed its fixed-rate five-year issue of Tuesday, with a $100m four-year deal yesterday – this time led by Morgan Stanley. The borrower again gave more generous terms than it has been used to paying in the past, offering a yield of around 85 basis points over U.S. Treasury bonds – the coupon is 11¼ per cent, issue price 100¼ and fees are 1⅜ per cent. The bond traded within that discount.

Motorola, the U.S. electronics group, also launched a $100m deal, but with a 12-year life. Goldman Sachs set the terms at a 11½ per cent coupon and 99¾ issue price. Fees total 2⅛ per cent. Although this is regarded as a good name by continental investors, many are avoiding the dollar sector at present, and with a fall in the New York bond market at its opening yesterday, the issue was trading outside its commissions.

Yamaichi International launched a $25m bond with equity warrants for Yamamura Glass. The bond has a five-year life and an indicated 8¼ per cent coupon.

Straight Eurodollar bonds had opened firmly yesterday but fell back in the afternoon to show only small gains for the day.

The second Euro-French franc issue, since that market reopened, was launched yesterday for the European Coal and Steel Community. The issue, led by Banque Nationale de Paris, was for FFr 300m with a seven-year life and 11¼ per cent coupon. Issue price is par and strong demand kept the bond trading around that level, as is the previous deal from Gaz de France. Fees were set at 1¾ per cent – a level agreed for some European supranational borrowers in the Euro-French franc market.

BHF Bank bond average		
April 17		Previous
101.718		101.737
High	1985	Low
102.860		98.840

Westdeutsche Landesbank launched an issue in European currency units, through a Dutch subsidiary, guaranteed by its New York company. The Ecu 70m issue has a five-year maturity and pays a 9½ per cent coupon with issue price set at 99⅞. It was trading comfortably within its 1⅞ per cent fees.

In the Swiss franc foreign bond market, Chugoku Electric Power followed the lead of Kansai Electric indicating a 5⅜ per cent yield for a SwFr 100m, 10-year deal, led by Crédit Suisse. Kansai's issue traded close to its par issue price yesterday.

Trading in the continental markets reflected the improving sentiment brought by the weaker dollar, with gains in Swiss franc and D-Mark bonds of up to ¼ point.

Yamaichi Securities set the terms for a Y30bn Samurai issue for Crédit Foncier at a 7.3 per cent coupon and par issue price, with a 10-year final maturity. The same terms had been awarded to Sweden's Y50bn issue the day before.

● A syndicate of Swiss banks, headed by Swiss Bank Corporation, has purchased a 5 per cent shareholding in Bührmann Tetterode, the Dutch paper and packaging group. The deal, worth Fl 18m, is thought to be the first syndicated placement in the international equity market.

● The World Bank has arranged a multi-currency financing package worth a total of $175m, through bonds and loans in five European currencies. All have been arranged through co-operative banks. The effective cost to the World Bank of the deals is 7.96 per cent, before currency swaps on some of the deals, which will bring the cost down further.

The package consists of private placements of a DM 200m and an Ecu 60m bond, led by DGBank, a SwFr 75m medium-term loan led by Swiss Volksbank, a Fl 50m loan arranged by Rabobank, and a Sch 415m facility arranged by GZBank of Vienna. The average life of the combined deals is four to five years.

The deal brings the World Bank's borrowing in the current financial year (to June 30) to $11.1bn, with a borrowing cost so far of 8.09 per cent. The expected borrowing total this year is around $11.5bn.

Unilever awards $500m facility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

BANK OF AMERICA and Bankers Trust have won a hotly contested mandate to arrange a $500m, seven-year Euronote issuance facility for Unilever, the Anglo-Dutch food and consumer products giant.

Award of the mandate yesterday ends weeks of speculation about the deal which has seen one of the fiercest bidding wars ever for a corporate borrowing in the Euronote market.

Unilever and the two banks were exceptionally tight-lipped about the terms of the deal which are due to be revealed publicly over the next few days. Market expectations centre, however, on a facility fee of about five basis points with drawings on the back-up credit at a cost of up to 15 basis points over the London interbank offered rate (Libor), depending on how much is taken up.

These terms, if correct, would mean that recent Bank of England moves to tighten capital requirements on Euronote facilities have had little impact on pricing. The facility fee would be lower than the average 6.1 points paid on a $400m deal by Imperial Chemical Industries (ICI) before the Bank action.

But bankers say there is now a slight but perceptible trend towards higher fees on note facilities, and Unilever will be relying heavily on its high standing in the market to get its deal away.

One option might have been for it to issue pure Euro-commercial paper without any back-up from banks at all, a tactic recently adopted by Norsk Hydro, the Norwegian energy and chemicals company.

It has been seeking a back-up line, however, to replace existing arrangements that also support issues of commercial paper in the U.S., according to bankers who have been monitoring the bidding.

Fed official seeks new curbs on 'junk bonds'

BY TERRY DODSWORTH IN NEW YORK

MR PRESTON MARTIN, vice-president of the U.S. Federal Reserve Board, said that he was in favour of tightening restrictions on the trading of low-grade bonds of the type that have been extensively used to finance recent takeovers.

Appearing before a congressional committee on Tuesday, Mr Martin suggested that the restrictions applying to the prohibition of purchases of lower-rated bonds should be extended.

At present, "junk bonds," as they are known in the market, may not be bought by financial institutions regulated by the Federal Reserve Board and the office of the Comptroller of the Currency. Mr Martin would like to see that prohibition extended to institutions regulated by the Federal Deposit Insurance Corporation and the Federal Home Loan Bank Board.

Junk bonds are issues rated BB or lower by the Standard & Poor's rating agency and Baa or lower by Moody's Investors Service. Also known as "non-investment" paper because of their high-risk characteristics, junk bonds have to offer high yields to attract investors. Academics have shown that from 1980 to mid-1984, such lower-quality bonds produced a total return of 13.5 per cent a year against 7.2 per cent for AAA corporate bonds.

Concern has been growing, however, because of the rapid growth in the junk-bond market, especially to finance takeovers. Companies under attack have complained about the large amounts of debt being used to finance the acquisitions, while politicians have grown increasingly worried about the danger of default.

Mr Preston said he did not favour a complete ban on the high-risk bonds.